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Vast U.S. Secrets Leak Exposed Nuclear Data

Suspected Spy for China Is Believed To Have Posted Files on Nation's Arsenal

By James Risen and Jeff Gith
New York Times Service

WASHINGTON — A scientist suspected of spying for China improperly transferred huge amounts of secret data from a computer system at a government laboratory, compromising virtually every nuclear weapon in the United States arsenal, government and lab officials say.

The data — millions of lines of computer code that approximate how America's atomic warheads work — were downloaded from a computer system at the Los Alamos, New Mexico, weapons lab that is open only to those with top-level security clearances, according to the officials.

The scientist, Wen Ho Lee, then transferred the files to a widely accessible computer network at the lab, where they were stored under other file names, the officials said.

The Taiwan-born scientist transferred most of the secret data in 1994 and 1995, officials said.

U.S. experts said the data would be useful to any nuclear power trying to replicate American atomic designs. But one American scientist said the codes and accompanying data were not, by themselves, sufficient to produce an exact copy of a U.S. weapon.

U.S. officials said there was evidence that the files were accessed by someone after they were placed in the unclassified network. Other evidence suggests that this was done by a person who improperly used a password.

The officials said. The investigation is continuing, and officials do not know whether the data transferred by Mr. Lee were obtained by another country.

In 1996, Mr. Lee became the focus of an FBI investigation into a separate case, what U.S. officials say was China's theft from Los Alamos of design data for the most advanced American warhead, the W-88. That theft apparently took place in the 1980s. China has denied stealing the material.

Now officials fear that a much broader array of nuclear test data may have been moved to Beijing in the 1990s.

Mr. Lee has not been charged with any crime.

Federal investigators did not discover the evidence of huge file transfers until last month, when they examined Mr. Lee's office computer in connection with their investigation of the earlier theft at Los Alamos, a sprawling lab complex about 35 miles (55 kilometers) from Santa Fe.

They then found evidence that Mr. Lee, who held one of the government's highest security clearances, had been transferring enormous files involving millions of lines of secret computer code, officials said.

Although Mr. Lee had been under investigation in the W-88 case for nearly three years, Los Alamos officials failed to monitor his computer use and let him retain his access to

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NATO Bomb Kills 20 Serbian Civilians

By Craig R. Whitney
New York Times Service

BRUSSELS — NATO acknowledged Wednesday that at least one laser-guided bomb had missed its intended military target and exploded in a neighborhood of civilian houses in southern Serbia. Yugoslav authorities, who disclosed the overnight incident, said that at least 20 people had been killed.

"We can confirm that one bomb went astray and impacted in an area where there were civilians," a spokesman for the allied military command, Brigadier General Giuseppe Marani, said. He said the attack had been aimed at a military garrison 200 to 300 meters (650 to 1,000 feet) away in the town of Surdulica.

"We cannot exclude that another bomb could have

been in the same conditions and caused some collateral damage," he said, using the NATO military term for unintended destruction of civilian life or property.

U.S. journalists who visited the scene at Surdulica on Wednesday said there were two craters, indicating that more than one weapon had hit the area. They also said the residential area was at least a kilometer (half a mile) from any military target. About 10 houses were destroyed and 20 damaged.

If the Surdulica figures are confirmed, the strike will be among the worst cases of civilian casualties thus far, ranking with the deaths of 72 ethnic Albanian refugees in a column in Kosovo, the bombing of a passenger train in Gredelica, which caused at least nine deaths, and the bombing of a residential area in Aleksinac, which killed five.

The alliance's swift if incomplete initial explanation for an attack that went wrong contrasted with the confusion of its initial responses earlier this month to Serbian reports of the air attack on a column of ethnic Albanian civilians traveling along a road near the town of Djakovica. It took days then for the command to determine that allied planes had indeed fired on the convoy, believing it contained only military vehicles, and then explain the mistake publicly.

This time, NATO officials reacted so quickly that when the alliance's top civilian leader, Javier Solana, appeared before reporters Wednesday afternoon, he was not even asked about the incident, and said nothing about it.

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An ethnic Albanian woman walking in the mud of a refugee camp in Kukes, Albania. Rain and mud are uncomfortable facts of life for refugees.

A Hard, Hungry Life in the Refugee Camps

By Barry Bearak
New York Times Service

STANKOVIC I REFUGEE CAMP, Macedonia — Those who want food by noon know to be up well before dawn, for the bread lines have become impossibly long. The wait is normally in the rain. Latecomers seem to leave without milk and with only two bananas instead of the usual four. The old plead with the young to save them a spot and spare them the wearying ordeal.

Portable toilets were tried — colorful booths that said "Toi Toi" on the side with the first "I" dotted in the shape of a heart. Refugees quit using them

after a week when the seamy assault became too foul to endure. They now go outdoors, standing over holes cut into a wood platform. Privacy is provided by sheets of plastic, though at night the Macedonian policemen seem to take pleasure in watching female silhouettes lit up through the curtains with a searchlight.

Water is carried in plastic jugs from a few central spigots. There are no metal pans. To heat the water, the jugs are placed over a fire made with scraps of wood, but it is hard to get it warm enough before the flames burn through the plastic and the water pours out.

Early on, tents were put up with adequate space between them. Now, they are crammed side-by-side

and the camp is a heaving metropolis of fabric.

On Tuesday, 4,000 more Kosovo Albanian refugees arrived at the Macedonian border, a spurt in an exodus that has brought 11,000 people in the past few days and, United Nations aid workers say, about 160,000 in little more than a month. More than 60,000 of the refugees are living in tent cities, and the supply of people has once again outstripped the supply of emergency shelter.

"We have passed the breaking point," said Paula Ghedini, spokeswoman for the office of the UN High Commissioner for Refugees.

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Hong Kong Fears Ruling Will Lift Population 25%

By Philip Segal
International Herald Tribune

HONG KONG — A court ruling earlier this year that overturned immigration restrictions could result in a 25 percent jump in the population of this densely packed city within seven years, the government said Wednesday.

The estimate of the influx, which some have speculated could overwhelm Hong Kong's schools, hospitals and public housing, came in remarks to the legislature by the secretary for security, Regina Ip, who called it "a very heavy, if not unbearable burden, on Hong Kong."

Her comments were the first time the government had publicly estimated the number of potential new residents since the region's Court of Final Appeal threw out a series of China-backed immigration restrictions in January.

The controversy following that decision brought Hong Kong to the brink of constitutional crisis, as Chinese officials demanded that the ruling be "rectified." It was not, and now Hong Kong's 6.6 million people are in the position of having to accommodate 692,000 mainland Chinese who are already here and have the right to remain.

The immigration crisis is a product of

the new administration in Hong Kong, which took over after the former British colony was returned to China in 1997. A new constitution was adopted two years ago, with China's approval, and it says that anyone with one parent already settled in Hong Kong can also come here.

The security secretary said that after seven years of continuous residence in Hong Kong, many of the 692,000 new immigrants as well as other mainlanders already in the region would be able to bring in another 983,000 new residents. That would bring the total of newcomers to 1,675,000 people, nearly 25 percent of the current population.

The ruling comes as Hong Kong is beginning to rethink how it funds public services. Last month, a Harvard University study said the increasingly prosperous region would soon run into problems funding its hospital system without major changes.

But sudden influxes of people are not entirely new to Hong Kong. Many of the residents who now tell pollsters they are fearful of being swamped by mainlanders were themselves refugees from Communist China.

The great wave of new immigrants flooding into this bastion of laissez-faire economics at the end of the 1940s forced the government of the day into a radical rethinking of public policy. After a fire in a squatter camp in 1953 killed hundreds, the government began a massive campaign to build public housing.

Today, half of the population lives in state-subsidized accommodation.

Dissenting Voice in Yugoslav Government Is Fired

The Associated Press

BELGRADE — As the pace quickened for a diplomatic solution, the government of President Slobodan Milosevic on Wednesday fired the moderate deputy prime minister who had urged Yugoslavia to compromise with NATO.

In Washington, the House of Representatives voted, 249 to 180, Wednesday afternoon to require President Bill Clinton to get congressional approval before injecting "ground elements" into the conflict in Yugoslavia. (Page 10)

The dismissal of Deputy Prime Minister Vuk Draskovic came amid a flurry of diplomatic activity

aimed at ending the conflict, although no solution appeared to be in sight. Former Prime Minister Viktor Cernomyrdin of Russia prepared to fly to Germany on Thursday and then on to Italy and Belgrade.

But the United Nations secretary-general, Kofi Annan, cautioned against "unrealistic expectations," and the firing of Mr. Draskovic showed that hard-liners remained in control in the Yugoslav government.

The ouster, made by Prime Minister Momir Bulatovic and announced by state media, came three days after Mr. Draskovic said the government would entertain a peace deal calling for a UN presence that would include NATO countries.

A terse report by the Tanjug press agency said Mr. Draskovic had been ousted because of his "public statements which were contrary to the government stands and jeopardizing the respect of the federal government."

Mr. Draskovic had said the Serbian leadership should recognize that it could not defeat NATO and that the world was united against it.

A NATO official speaking on condition of anonymity called the move "the first visible fracture" in the Yugoslav leadership and said it "shows the price

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The Dollar			
New York	Wednesday 9:45 A.M.	previous close	
Euro	1.0638	1.0665	
Pound	1.6145	1.6183	
Yen	119.175	120.335	
DM	1.8396	1.8390	
FF	6.1692	6.1506	
Dollars per pound and per euro			
The Dow			
Wednesday close	previous change		
+13.74	10,845.46	+0.13%	
S&P 500			
-11.89	1,360.91	-0.87%	
Nasdaq			
-52.15	2,560.28	-2.00%	

Newstand Prices	
Bahrain	1,000 BD Media 55 c
Cyprus	C £ 1.00 Nigeria 2,800 Naira
Denmark	17 DKr Oman 1,250 OR
Finland	12.00 FM Qatar 10.00 QR
Gibraltar	£ 0.85 Rep. Ireland IR £1.10
Great Britain	UK £1.00 Saudi Arabia SR 10 SR
Egypt	EG £5.50 St. Lucia L \$16 and WT
Jordan	1,500 JD U.A.E. 10.00 Dh
Korea	K \$H 180 U.S. ME (Kia) \$1.20
Kuwait	700 FK Zimbabwe Zm \$40.00



Mr. Obuchi preparing for his Chicago start.

Obuchi Warms Up for U.S. Visit

Japanese Leader Polishes Economic Speeches and His Pitching

By Nicholas D. Kristof
New York Times Service

TOKYO — Prime Minister Keizo Obuchi prepared Wednesday for his summit meeting with President Bill Clinton, working on his economic policy and on his pitching arm.

Mr. Obuchi, who leaves Thursday for the first official visit by a Japanese prime minister to the United States in 12 years, is expected to throw the opening pitch at a Chicago Cubs game Saturday at Wrigley Field in Chicago.

So the 61-year-old leader, who said he last threw a pitch about 50 years ago, spent part of the afternoon in his back yard with a baseball mitt and a former professional pitcher.

"I'm really worried whether the ball will reach home plate or not," Mr. Obuchi explained.

Judging from the practice session, which Mr. Obuchi good-naturedly allowed reporters to watch, he has good form but not much consistency. All in all, he seems to have a strong chance of getting the ball to home plate — at least by the third bounce.

Other prime ministers have made working trips to Washington, but this is not a formal official visit and includes stays in Los Angeles on Tuesday night and in

Chicago on Friday and Saturday nights. Theo Mr. Obuchi will travel to Washington for talks Monday with Mr. Clinton and a White House dinner that evening.

This is a time of relative harmony in U.S.-Japanese relations, and officials say that the main purpose of the summit meeting is to reaffirm and strengthen the relationship rather than to resolve any particular disputes. But the backdrop will be Japan's faltering economy and American insistence that Tokyo do more to revive it.

The Group of Seven nations issued a communique Monday calling on Japan to "implement stimulus measures until growth is restored, using all available tools." But in a meeting Wednesday with American reporters, Mr. Obuchi did not seem to take the hint, for he suggested that Japan had taken enough action for now and needs to allow time for results.

"We've adopted numerous measures," Mr. Obuchi said, pointing to various economic legislation passed in the past year. He added: "I trust that favorable effects will emerge."

Asked whether Japan would consider a supplementary budget to provide additional fiscal stimulus if present steps prove inadequate, Mr. Obuchi poured cold water on the idea. "At this stage, we have no

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AGENDA

U.S. Eases Stance On Iran and Libya

President Bill Clinton has eased U.S. sanctions policy to allow food and medical items to be sold to Iran, Libya and Sudan, officials said Wednesday.

The move represents a softening of policy toward three countries the United States has long viewed as supporters of terrorism and exporters of extremism. Page 10.

EU to Ban U.S. Beef

The European Union said Wednesday that it would ban U.S. beef imports as of June 15 unless Washington made sure the meat had no artificial-growth hormones. Page 11.

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Could a Hero Have Been Saved? / Questioning the Police's Response in Massacre

'It Was Utter Chaos' as Teacher Lay Dying in School

By Dirk Johnson
New York Times Service

LITTLETON, Colorado — For more than three hours, William Sanders lay dying on a classroom floor. Terrified students with cell phones called frantically for an ambulance for the teacher, shot twice while helping students flee gunfire in the Columbine High School cafeteria last week. They used their shirts to bind his wounds. They hung a sign from a window: "HELP. BLEEDING TO DEATH." When rescuers finally arrived about 3 1/2 hours after the first shots were fired, the 48-year-old Mr. Sanders died as he was being carried from the classroom.

In the aftermath of the carnage April 20, the family of the teacher has raised questions about the police response, especially the long wait in sending rescuers into the classroom. "Some of his daughters are angry," said Melody Smith, a sister-in-law of Mr. Sanders, who was substituting for a science teacher the day of the attack. "They feel like, had they gone in and gotten Dave out sooner, he would have lived."

Law-enforcement officials say they did not send the police into the second-floor class-

room sooner because they feared the two gunmen were still shooting inside the building. Sacrificing the lives of police would not have helped anyone, said Sergeant Jim Parr of the Jefferson County Sheriff's Department.

"You just can't run blindly down a hallway, not knowing that you're running by doors that may contain gunmen," Mr. Parr said. "They also had bombs they had to deal with."

Mr. Parr described the mayhem inside the sprawling school: sprinkler systems flooding the halls, ceiling tiles falling down, fire alarms sounding loudly and strobe lights from the alarm system flashing.

Now it appears that the two gunmen, Eric Harris, 18, and Dylan Klebold, 17 — both seniors at Columbine — did all of their shooting, including killing themselves, within minutes after beginning their assault around 11:25 A.M., said Steve Davis, a spokesman for the Jefferson County Sheriff's Department. The sound of gunfire inside the building for the next two hours, Mr. Davis said, most likely came from the police — "cover fire" meant to protect the officers dashing into the building.

Ms. Smith said the family does not blame the rescuers themselves, but questions whether law-enforcement agencies have an effective policy for such a crisis. Indeed, members of the

tactical unit were invited to the funeral of Mr. Sanders on Monday as an expression of gratitude.

All of them attended the services, which drew about 3,000 mourners to the Trinity Christian Center here. "We want them to know we do not blame them," Ms. Smith said. "But the family wants to sit down and ask some questions."

IN THE VIEW of the Sanders family, Ms. Smith said, the response to the ambush did not seem to be well-organized. "It was utter chaos," she said. "We want some policies changed, so that this doesn't happen to the next guy."

Mr. Parr said the SWAT team had been going from room to room in the school, breaking down locked doors that had been barricaded by the frightened students. When they reached the classroom where Mr. Sanders, a business teacher and athletic coach, lay dying, Mr. Parr said, the officers rescued 60 students first. After that, two officers started to carry Mr. Sanders out. He said the officers knew that the condition of Mr. Sanders was grave.

"There's only so much you can do," Mr. Parr said. The police have described Mr. Sanders as a hero whose bravery in charging

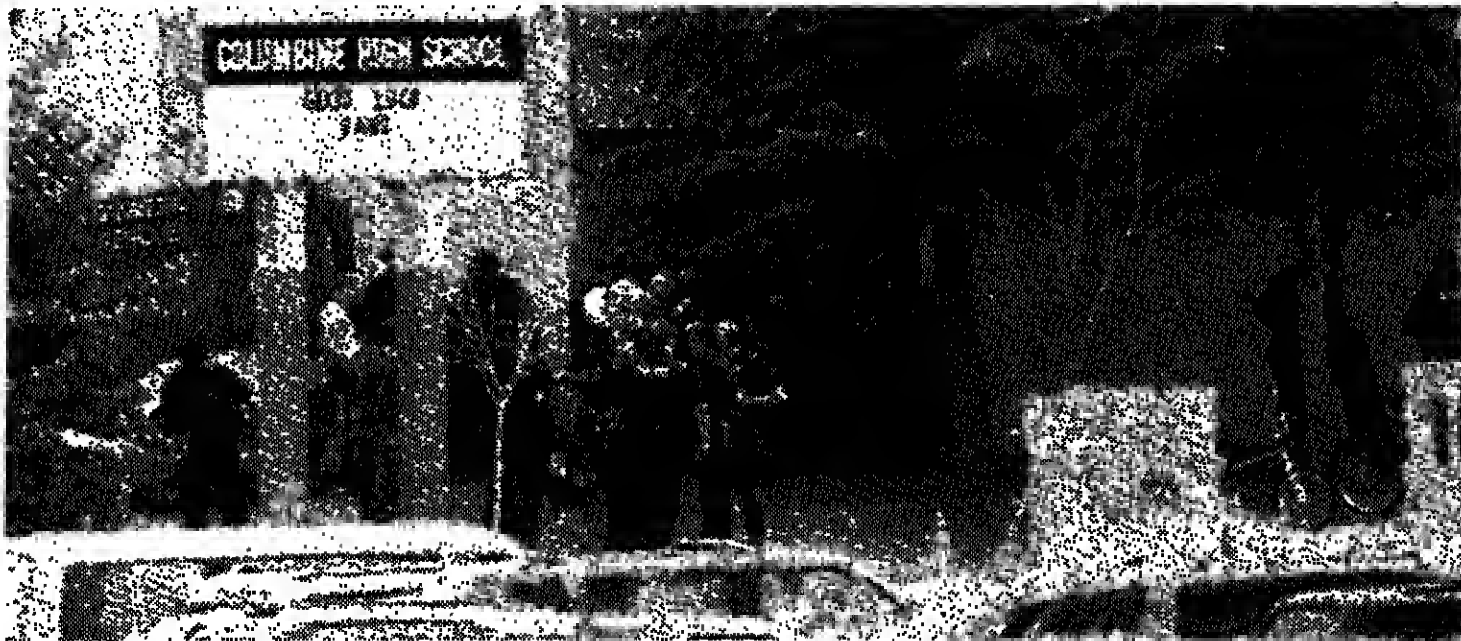
into the panic-stricken cafeteria, then herding about 200 students up the stairs, probably saved the lives of many of them. Mr. Sanders took two bullets as he guided students toward the science classroom. With that, he stumbled into the room with blood flowing from his chest, then fell on a desk and broke a tooth.

One student in the classroom, Aaron Hancey, a junior, knew some first-aid, and paramedics talked to him on a cell phone about life-saving techniques. As Mr. Sanders' temperature fell, the students wrapped the teacher in a blanket. Two boys took off their shirts, twisted them up and pressed them against the wounds in an effort to stanch the bleeding.

As Mr. Sanders became weak from the loss of blood and seemed as if he were going to pass out, students took his wallet and held up family photographs to try to keep him conscious. But Mr. Sanders could barely breathe. He said that he did not think he could last much longer, then said, "Tell my daughters that I love them."

Pete Mazula, a firefighter whose daughter attends Columbine High School, delivered a letter to the Sanders house Tuesday.

"Because of your selfless act, you saved my little girl," Mr. Mazula wrote. "You gave up your life to save hers, and because of that I am able to hug and kiss her everyday."



Police officers outside Columbine High School in Littleton, Colorado, as bomb squads and SWAT teams rescued students.

Under Fire

SWAT Teams' Response Scrutinized on Web Site

By Brian Knowlton
International Herald Tribune

WASHINGTON — From the first terrifying moments after Eric Harris and Dylan Klebold burst into Columbine High School and opened fire, killing a teacher and 12 classmates before ending their own lives, the drama has unfolded in shockingly public fashion, as panicked students hiding from death phoned television stations to describe sounds of carnage only yards away.

The drama could have been more public and interactive only if Mr. Harris or Mr. Klebold themselves had phoned in.

And now, as the once-peaceful Colorado community of Littleton digests successive waves of terror and pain, seeking to make sense of the incomprehensible, an anguished public debate continues.

On the Internet — the same venue where Mr. Harris vented his anger at the world — area residents are exchanging words of prayer and consolation, but also of blame, resentment and bitterness, above all over the seeming slowness of the police response.

The live televised images, fueled the impression that the killers carried out their attack, and a teacher, lay bleeding to death, most of the 200 law-enforcement officers who had rushed to the scene stood outside for hours, doing little but awaiting orders.

That has been the most widely discussed topic on a special Web site, set up by The Denver Post, devoted to the Columbine massacre (www.denverpost.com).

Internet discussion groups with titles like "Why didn't the police storm the school?" and "If the cops won't risk their lives for the children, then for whom will they risk them?" had received more than 175 comments each as of Wednesday. By comparison, "America and guns" had 141, and "Where was God?" drew 49 responses.

The readers do not necessarily form a scientific cross-section. But they have forcefully made the points being heard across the country, with many of them castigating the police for what they see as a failure of tactics, organization or nerve.

One man, who identified himself as a former member of a SWAT, or special weapons and tactics, team, wrote, "I know all about protecting myself and the units, but I'll tell you, for hundreds of law enforcement people to stand around that school and let their own children bleed to death was a travesty of public protection."

Another man wrote, "If this had happened in Israel, or Germany or France, where the police are intelligent, understand weapons and tactics, and are willing to risk their lives in the course of their jobs (an occupational hazard for police, indeed), this would have been brought to an early and decisive conclusion."

Another wrote that he was troubled "that there is not an immediate and direct armed intervention and confrontation plan requiring contact and pursuit of individuals known to be killing others."

Yet, many other writers — about three for every four who were critical — commended the police for making the best of a complex and dangerous situation. "Storming the building when you know that there are people inside with guns and bombs," one man wrote, "is the surest way of a high body count of civilians and police."

Another wrote: "The kids hiding in the

various locations were safer with the police methodically stabilizing the situation than with the type of John Wayne shoot-em-up charge" some people favor.

In their own defense, police officials say that a key element of any such rescue is intelligence — knowing the exact nature of the risk.

In Littleton, local law-enforcement officers say, they were entering a scene of pure chaos, facing bullets, bombs and booby traps, in hallways filled with smoke, against an enemy whose numbers, armament and location were not immediately known, and who could easily bleed in with intended victims.

Authorities have yet to provide a detailed account of their decision-making process during the killings, the worst school massacre in U.S. history.

In fact, several of those leaving messages at the Denver Post Web site praised the bravery of the police, particularly a first group of seven officers who entered the building within 20 minutes of the emergency calls. "Don't blame the police — they did what they had to do," one woman wrote.

But some writers criticized the SWAT teams. Such teams, formed in many towns and cities in response to drug- and gang-related violence in the 1970s and 1980s, have recently

come under fire from critics who say they no longer serve much useful purpose.

"I wonder why we have SWAT teams," one writer said, "if there not willing to give their lives for children that are in need of their help?"

Defenders of the SWAT teams — including Larry Click, executive director of the National Tactical Officers Association — say the men were doing what they are trained to do. A Los Angeles Deputy Police Chief, David Gascon, told the Los Angeles Times, "From what I saw, it was an impossible situation."

Meanwhile, the man heading the extensive investigation, John Stone, the Jefferson County sheriff, expressed suspicions about three teenage boys who knew the gunmen and tried to approach the school during the massacre. They were seen on television being stopped and frisked in a nearby field during the incident.

"They said they heard it on the radio," Sheriff Stone said. "Well, it wasn't on the radio at that time." The three have not been formally named as suspects.

Sheriff Stone has contended that the first group of officers to enter the building may have forced Mr. Harris and Mr. Klebold to retreat. "I think that is what saved the rest of these kids."

State Put on Hold As Palestinians Bow to Pressure

By Deborah Sontag
New York Times Service

JERUSALEM — Palestinian leaders effectively decided Wednesday against declaring statehood on May 4, bowing to international pressure and defusing a volatile moment.

The Palestinian Central Council decided by not deciding. A two-day meeting to debate the date recessed without a vote Wednesday in Gaza. But the meeting will remain in "permanent session" until after the Israeli elections — May 17 with an expected runoff June 1 — that is, weeks after May 4 has come and gone.

Yasser Arafat, the Palestinian leader, and his council refused to make their decision clear immediately partly because they did not want Prime Minister Benjamin Netanyahu of Israel to be able to take credit for getting them to retreat from their intention.

"We are going through a very delicate period in the history of our people, a period during which we cannot afford to make any mistakes," the official Palestinian press agency, Wafa, quoted Mr. Arafat as saying. "We don't need to affirm our state because we are actually exercising statehood."

But Mr. Netanyahu, who prides himself on taking tough stances with the Palestinians, did so anyway.

Arafat backed down and that's a good thing," he said. "They delayed it until after the election because they know that as long as I am prime minister of Israel, a Palestinian state with Jerusalem as its capital will not be established."

Mr. Arafat had convened the Gaza meeting to allow some outlet for the impatience many in the Palestine Liberation Organization feel with the slow road to independence for the West Bank and Gaza Strip. He also wanted a broad consensus for his decision.

Under the terms of the Oslo peace accord, May 4 was a target date by which final peace negotiations between Israelis and Palestinians were to have been completed.

But because the peace effort is frozen, and the final-status negotiations have barely begun, Mr. Arafat had said he would make a unilateral declaration of statehood on that day. In the Palestinian areas of the West Bank and Gaza, May 4 became a rallying cry.

Some Palestinian leaders would prefer to abandon the U.S.-brokered peace effort, by which their sovereignty or statehood is to be determined through negotiations with Israel.

But, after the Americans promised to help him push for final negotiated deal within a year, Mr. Arafat urged the Palestinian leadership to be patient. He referred to the trappings of statehood — from an airport to a country area code — that the Palestinians have recently acquired. And he reportedly told them that it was a sensitive moment, when the Palestinians, having accomplished much, should not risk losing what they have gained by "making mistakes."

Reporting on a whirlwind diplomatic tour, Mr. Arafat and his advisers made it clear that they had gained international support for independence — goodwill and backing that the Palestinians will need in negotiating the thorny issues involved in final status talks.

But Mr. Arafat's advisers also said the Americans and many European and Arab leaders had asked them not to make a unilateral declaration of statehood next week.

In the event of a declaration, Israel had threatened severe retaliation, including the possibility of annexing swaths of the West Bank.

But most Israelis, according to recent polls, consider a Palestinian state inevitable, and most believe it is the Palestinians' right to have one eventually.

In an attempt to bring even his most radical opponents under his umbrella, Mr. Arafat persuaded Sheikh Ahmed Yassin, leader of the Islamic fundamentalist Hamas organization, to attend the meeting as an observer. As Sheikh Yassin, who is paralyzed, sat in his wheelchair on the sidelines, he seemed to be in a position of uncharacteristic deference to the Palestinian leader.

TRAVEL UPDATE

Airbus Reassures Asian Carriers

SINGAPORE (AFP) — Airbus Industrie has assured Asian carriers that the primary flight systems on its aircraft in the region will not be affected by the Year 2000 problem, the European planemaker said Wednesday.

Airbus, which has 450 aircraft currently in service with 37 Asian airlines, said ground and flight tests had confirmed that its primary flight systems will perform normally during the changeover to years that begin with "20."

Airbus said it had subjected its aircraft to the "ultimate test" in the middle of last year.

Strike Disrupts Some French Trains

PARIS (AFP) — Suburban rail traffic in and out of Paris was expected to be disrupted for a second day Thursday along with some high-speed trains as drivers voted to continue a strike.

At best one train in two was running Wednesday on some suburban lines. A Thalys high-speed train to Brussels and two high-speed trains to Lille were canceled.

The drivers are protesting management plans to adapt conditions of work to the new national 35-hour workweek, and the strike is scheduled to last until 8 A.M. Monday.

Air France ground staff voted Wednesday to extend their 14-day-old strike at Nice airport into Thursday. (AFP)

Construction began Wednesday on London's first new bridge across the Thames in more than a century. The Millennium Bridge, for pedestrians only, will span the river opposite the dome of St. Paul's Cathedral. (AP)

Correction

Because of an editing error, an article from Kuala Lumpur in Wednesday editions incorrectly identified Prime Minister Mahatma bin Mohamad.

Editor's Note

An article in late editions Tuesday about soccer violence in Rotterdam wrongly described the 1989 disaster at Hillsborough Stadium in Sheffield, England. The authorities now accept that hooliganism was not involved. The causes are still a source of dispute. We regret any distress our error may have caused.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



Plenty of sunshine and turning colder across the northern half of the U.S. through the weekend. The Upper Midwest will be cooler with showers. The South will be sunny over the weekend, but mild with some sun Monday. Heavy rain is likely from the Gulf of Mexico into the Southeast. A tropical storm may bring heavy rain to southern China.

Maps, forecasts and data provided by AccuWeather, Inc. ©1999 • <http://www.accuweather.com>

North America			
City	Today	Friday	Saturday
Albuquerque	68/82	68/82	68/82
Anchorage	50/60	50/60	50/60
Atlanta	70/80	70/80	70/80
Boston	50/60	50/60	50/60
Chicago	50/60	50/60	50/60
Dallas	70/80	70/80	70/80
Denver	50/60	50/60	50/60
Detroit	50/60	50/60	50/60
Honolulu	70/80	70/80	70/80
Los Angeles	70/80	70/80	70/80
London	50/60	50/60	50/60
Madrid	50/60	50/60	50/60
Miami	70/80	70/80	70/80
Manila	70/80	70/80	70/80
Moscow	50/60	50/60	50/60
New York	50/60	50/60	50/60
Osaka	70/80	70/80	70/80
Paris	50/60	50/60	50/60
San Francisco	50/60	50/60	50/60
Seattle	50/60	50/60	50/60
Shanghai	70/80	70/80	70/80
Singapore	70/80	70/80	70/80
Sydney	50/60	50/60	50/60
Tokyo	70/80	70/80	70/80
Washington	50/60	50/60	50/60
Yokohama	70/80	70/80	70/80

Asia

City	Today	Friday	Saturday
Algeria	50/60	50/60	50/60
Amman	50/60	50/60	50/60
Beijing	50/60	50/60	50/60
Bombay	50/60	50/60	50/60
Buenos Aires	50/60	50/60	50/60
Calcutta	50/60	50/60	50/60
Cairo	50/60	50/60	50/60
Chengdu	50/60	50/60	50/60
Colombo	50/60	50/60	50/60
Dhaka	50/60	50/60	50/60
Hong Kong	50/60	50/60	50/60
Indones	50/60	50/60	50/60
Islamabad	50/60	50/60	50/60
Jakarta	50/60	50/60	50/60
Kuala Lumpur	50/60	50/60	50/60
London	50/60	50/60	50/60
Los Angeles	50/60	50/60	50/60
Manila	50/60	50/60	50/60
Moscow	50/60	50/60	50/60
Mumbai	50/60	50/60	50/60
Nairobi	50/60	50/60	50/60
Paris	50/60	50/60	50/60
Perth	50/60	50/60	50/60
Rangoon	50/60	50/60	50/60
Seoul	50/60	50/60	50/60
Singapore	50/60	50/60	50/60
Taipei	50/60	50/60	50/60
Tokyo	50/60	50/60	50/60
Yokohama	50/60	50/60	50/60

Africa

City	Today	Friday	Saturday
Algeria	50/60	50/60	50/60
Amman	50/60	50/60	50/60
Beijing	50/60	50/60	50/60
Bombay	50/60	50/60	50/60
Buenos Aires	50/60	50/60	50/60
Calcutta	50/60	50/60	50/60
Cairo	50/60	50/60	50/60
Chengdu	50/60	50/60	50/60
Colombo	50/60	50/60	50/60
Dhaka	50/60	50/60	50/60
Hong Kong	50/60	50/60	50/60
Indones	50/60	50/60	50/60
Islamabad	50/60	50/60	50/60
Jakarta	50/60	50/60	50/60
Kuala Lumpur	50/60	50/60	50/60
London	50/60	50/60	50/60
Los Angeles	50/60	50/60	50/60
Manila	50/60	50/60	50/60
Moscow	50/60	50/60	50/60
Mumbai	50/60	50/60	50/60
Nairobi	50/60	50/60	50/60
Paris	50/60	50/60	50/60
Perth	50/60	50/60	50/60
Rangoon	50/60	50/60	50/60
Seoul	50/60	50/60	50/60
Singapore	50/60	50/60	50/60
Taipei	50/60	50/60	50/60
Tokyo	50/60	50/60	50/60
Yokohama	50/60	50/60	50/60

Latin America

City	Today	Friday	Saturday
Algeria	50/60	50/60	50/60
Amman	50/60	50/60	50/60
Beijing	50/60	50/60	50/60
Bombay	50/60	50/60	50/60
Buenos Aires	50/60	50/60	50/60
Calcutta	50/60	50/60	50/60
Cairo	50/60	50/60	50/60
Chengdu	50/60	50/60	50/60
Colombo	50/60	50/60	50/60
Dhaka	50/60	50/60	50/60
Hong Kong	50/60	50/60	50/60
Indones	50/60	50/60	50/60
Islamabad	50/60	50/60	50/60
Jakarta	50/60	50/60	50/60
Kuala Lumpur	50/60	50/60	50/60
London	50/60	50/60	50/60
Los Angeles	50/60	50/60	50/60
Manila	50/60	50/60	50/60
Moscow	50/60	50/60	50/60
Mumbai	50/60	50/60	50/60
Nairobi	50/60	50/60	50/60
Paris	50/60	50/60	50/60
Perth	50/60	50/60	50/60
Rangoon	50/60	50/60	50/60
Seoul	50/60	50/60	50/60
Singapore	50/60	50/60	50/60
Taipei	50/60	50/60	50/60
Tokyo	50/60	50/60	50/60
Yokohama	50/60	50/60	50/60

Oceania

City	Today	Friday	Saturday
Algeria	50/60	50/60	50/60
Amman	50/60	50/60	50/60

THE AMERICAS

Florida Readies Plan That Will Allow Public School 'Exodus'

By Rick Bragg
New York Times Service

MIAMI — In a move that critics say will cause an exodus from struggling inner-city schools but one that advocates maintain will save them, Governor Jeb Bush and leaders in the Florida legislature have agreed to allow children in the lowest-rated schools to attend private institutions with state-paid tuition.

The plan, which was a centerpiece of Mr. Bush's campaign for governor, will make Florida the only state to use public education funds for vouchers that will pay for children to attend private schools, including religious schools. The measure is expected to pass in the House and Senate this week.

Leaders in the State House and Senate, both controlled by Republicans, worked out an agreement Monday on a bill that Mr. Bush will sign "with a smile on his face," said Nicole Devenish, the governor's press secretary.

The plan, which is also intended to pay for children in failing schools to attend higher-rated public schools, will assign every state public school a grade — A, B, C, D or F — based on standardized test scores. Children who attend schools rated "F" can, on the request of their parents, be awarded vouchers of about \$4,000 — called "opportunity scholarships" — no matter what the child's grades are.

It is an issue that has consumed much of Mr. Bush's first term, as he put the issue ahead of all other business.

"Half our kids graduate from high school," said Mr. Bush. "Half are reading below basic levels in the fourth grade. This is vital for our long-term competitiveness as a state, vital for restoring our civil society. It pushes the resources and attention where it needs to be. It will improve public schools."

The plan, which will begin in September with four schools that have tested poorly in the past — one near Orlando,

another near Tallahassee and two in Pensacola — and gradually be expanded to include all 3,000 public schools in the state, is seen by proponents as a bold initiative to reform a system that has been held back by teachers unions and school administrators afraid of change.

"Every child in a failing school will now have the option to go to a school where he or she can learn," said Alex Diaz de la Portilla, a Republican state representative from Westchester in Miami-Dade County who is one of the plan's strongest proponents.

Critics of the plan said it violates the constitutional division of church and state. And in south Florida, where many inner-city schools are expected to score low in the planned standardized testing, they say it will worsen things by removing the best pupils and state financing from the schools.

"What you will have is a massive exodus of students leaving the public schools," said James Bush, a Demo-

cratic state representative from Miami whose district, which includes Liberty City, Overtown and Opa-Locka, is the poorest in the state. "You're going to lose teachers," as enrollment drops and tax dollars dwindle.

Other states, including Texas and Pennsylvania, are considering similar plans, and some cities, including Milwaukee and Cleveland, already have such systems in place, said Jeanne Allen, president of the Center for Education Reform, a nonprofit research group based in Washington. Maine and Vermont have long-standing voucher programs for a small number of children in rural areas who do not live near schools.

"What makes this unique," Ms. Allen said, "is that it is not a simple program that pulls kids out of school. It puts schools on notice that they will lose their good students unless they are quality schools."

Under this legislation, children in

public schools from the third grade through the 10th would be tested every year under a vigorous new state test called the Florida Comprehensive Assessment Test, and those cumulative scores would be used to rate the school. Mr. de la Portilla said that as many as 160 of the state's 3,000 schools could get a failing grade.

Sam Yarger, dean of the School of Education at the University of Miami, said the plan is "very viable, politically," but one that will break down in the realities of society.

"If you allow vouchers," he said, "the students who voucher out of public schools will be those whose parents care about them," because they will have to provide transportation and make other arrangements for their children.

"The kids who are left behind are the kids who are poor, whose parents don't have the concern," he said. "They will be left in the school. That residual student body will demonstrate more failure."

U.S. Panel Urges Gambling 'Pause'

WASHINGTON — A sharply divided panel studying gambling in the United States recommended Wednesday a nationwide moratorium on the spread of casinos, lotteries and slot machines.

The nine-member commission is nearing the end of a two-year study. It plans to submit a report to Congress on June 18 on the economic and social effects of legalized gambling, which has proliferated during the 25 years since the last national study.

The commission's report will contain a call for a "pause" in the spread of legalized gambling and encourage state and local governments to form their own gambling study commissions.

"Some policymakers at all levels may want to impose an explicit moratorium on gambling expansion while awaiting further research and assessment," the National Gambling Impact Study Commission concluded.

The panel split over the language, particularly the use of the word "moratorium." Five commissioners approved the wording, while four voted no. At least one pro-gambling commission member, Terrence Lanni, chairman of the MGM Grand hotel in Las Vegas, said he now planned to write a minority report.

Commissioner Robert Loescher, an American Indian businessman in Alaska, opposed the call for a moratorium and said the 5-4 division was "unhealthy."

"I have a problem with the notion that we're going to stop the world or pause or create a moratorium for the business of research," Mr. Loescher said. "That is not a compelling and persuasive reason I believe we should advance to the American public for this kind of recommendation." The advisory commission cannot impose a moratorium. (AP)

Al Hirt, New Orleans Jazz Trumpeter, Is Dead at 76

By Nick Ravo
New York Times Service

NEW YORK — Al Hirt, 76, the portly Dixieland jazz trumpeter who was a symbol of the exuberant laissez-faire way of life of New Orleans, died Tuesday at home in that city.

Mr. Hirt had been hospitalized until last week at East Jefferson General Hospital in Metairie, Louisiana, with liver ailments, his personal assistant, Peggy Stegman, said. He had used a wheelchair for the last year because of edema in his leg, she said.

One of the nation's most recognizable performers in the 1960s, he recorded 55 albums in his career and won a Grammy award in 1963 for the song "Javé."

Genial, bearded, sometimes topping 300 pounds (135 kilograms) and known to some friends as Jumbo, Mr. Hirt was a ubiquitous figure in his hometown. He

had roles in several motion pictures and ran a popular club on Bourbon Street in the city's French Quarter for 22 years; it closed in 1983.

"He's part of New Orleans, like Louis Armstrong," said the clarinetist Pete Fountain, a fellow New Orleans resident who knew and played with him for 55 years.

Alois Maxwell Hirt was born Nov. 7, 1922, in New Orleans, the son of a police officer. A child prodigy, he got his first trumpet from a pawnshop at age 6 and played his first gig in 1938 when he was hired to blow the horn at a racket.

He attended the Cincinnati Conservatory of Music from 1940 to 1943. After touring with big bands, he started his own band in 1950 and a combo with Mr. Fountain in 1955.

In 1960, he signed with RCA Records, which released his first album in 1961. His most popular albums included

"Greatest Horn," "He's the King" and "Bourbon Street." He also had a pop single hit with "Cotton Candy."

Arbit Blatas, 90, Prolific Painter and Sculptor of School of Paris

NEW YORK (NYT) — Arbit Blatas, 90, a Lithuanian-born artist whose career bridged New York, Venice and the Paris of Picasso, Matisse, Braque, Dufy, Bonnard, Vlaminck, Utrillo, Souvire and Cocteau — all of whom he rendered in paint, clay or bronze — died Tuesday at his studio home in New York.

A prolific sculptor, stage designer and vivid colorist whose works are seen in plazas, museums and galleries the world over, he continued to paint until a series of hospitalizations in recent months.

He is particularly known for his 1979 series of seven bronze tablets on a wall of Venice's Campo del Nuovo Ghetto commemorating the night of Dec. 5,

1943, when the first 200 of the city's Jews in the old Ghetto district were rounded up and marched out for deportation and death.

Born in 1909 to Russian parents in Kaunas, Lithuania, he was an accomplished painter by age 15. He soon left for Paris, where he became the youngest member of the eminent group of French and émigré artists that became known as the School of Paris. In 1978, the French government made him a chevalier and later officer of the Legion of Honor for his contributions to French art.

Patricia Bowman, a founding member of American Ballet Theater, a ballerina at Radio City Music Hall and the first American ballerina to win critical acclaim and wide popularity as a classical and musical-theater dancer, died March 18 in Las Vegas. She was believed to be in her early to middle 90s. (NYT)



Al Hirt, a ubiquitous figure in New Orleans, on Bourbon Street in 1991.

ESPIONAGE: Data Transfer Compromised Entire Nuclear Arsenal, U.S. Officials Say

Continued from Page 1

secrets until late 1998. Mr. Lee was fired by the Energy Department for security violations on March 8. His attorney, Mark Holscher of Los Angeles, did not return a telephone call. In the past, Mr. Holscher has denied any wrongdoing by his client.

President Bill Clinton was first told of the new evidence by Energy Secretary Bill Richardson on March 31. During a subsequent meeting at the White House, Mr. Richardson told the president, "I told Mr. Richardson to 'get to the bottom of it.' Mr. Richardson recalled in an interview Tuesday.

Earlier in March, before being briefed by Mr. Richardson, the president said he had not been told of any evidence of espionage during his administration.

In response to the new evidence and with the president's support, Mr. Richardson this month shut down the classified computer systems at Los Alamos and two other major nuclear weapons laboratories. He ordered changes in the computer security procedures to make it more difficult to move nuclear secrets out of the classified networks.

"These Wen Ho Lee transgressions cannot occur any more," Mr. Richardson said in the interview.

Congressional leaders were told of the new evidence in classified briefings last week.

The huge scale of the security breach has shocked some officials and has prompted a new sense of urgency in the FBI to solve the Los Alamos spy case. The bureau is now pouring disciplinary agents and resources into the investigation. The evidence of transfers from his office computer provided the basis

for an FBI search of Mr. Lee's home April 10, officials said. Mr. Lee is believed to be still living in Los Alamos. Senator Richard Shelby, Republican of Alabama, chairman of the Select Committee on Intelligence, said that the briefings on the new evidence "confirmed my worst fears that China's espionage is ongoing, it's deep and we can't wish it away."

There were varying assessments of the gravity of the security breach. One official familiar with the new evidence said, "This is much, much, much worse than the W-88 case."

But an Energy Department official said that because it remained unclear whether China actually obtained the data, the case at this point "is serious but not of the scope of the W-88."

The fact that the huge data transfers were not detected until the last few weeks has sparked outrage among officials who wonder why computer use by a scientist already under suspicion as a spy was not being closely watched by Los Alamos or the FBI.

An internal investigation at the Energy Department into why Mr. Lee remained access to U.S. nuclear secrets while he was a spy suspect was begun a month ago and is nearing completion. It is likely to prompt disciplinary action against some lab and Energy Department officials, according to a senior Energy Department official.

FBI officials have told Congress that Mr. Lee and his wife, Sylvia, had prior relationships with the bureau. In the early 1980s, Mr. Lee volunteered information to the bureau, but officials would not provide details. Mrs. Lee provided the bureau with information on foreign visitors to Los Alamos from about 1987 to 1992, but her information was not considered valuable.

Until now, Mr. Clinton and his aides have portrayed Chinese nuclear espionage as a problem that occurred during previous administrations.

And the furor over the administration's handling of the earlier theft of the W-88 data from Los Alamos, the White House has stressed that the espionage occurred in the 1980s, long before Mr. Clinton took office.

But the new evidence raises the stakes of the congressional investigations now under way into how the Los Alamos case was handled after the W-88 theft was first detected in 1995.

The information improperly transferred by Mr. Lee was said to include what Los Alamos officials call the "legacy" codes. According to John Browne, director of Los Alamos, the legacy codes consist of computer data used to design nuclear weapons, analyze nuclear test results and evaluate weapons materials and the safety characteristics of U.S. nuclear warheads.

"They are codes that integrate our

best understanding of the processes that go on in a nuclear weapon," Mr. Browne said.

The legacy codes can be used to help design nuclear weapons through computer simulation, and so are valuable on their own. But they become more valuable when combined with specific performance data, which would then enable someone to generate a computer simulation of U.S. warhead designs.

Officials said Mr. Lee had transferred both the legacy codes and the input data for specific U.S. warheads that go with the legacy codes. The codes and performance data provide what a Los Alamos scientist described as a "rough approximation" of the physical processes that occur in a nuclear weapon.

Ray Kidder, a nuclear-weapons physicist at the Lawrence Livermore National Laboratory in California, said the combined data was equivalent to a scientific blueprint.

"If you've got the source code and the input data, you can reverse-engineer the thing and have a complete plan for nuclear explosive part of the weapon," Mr. Kidder said.

One lab official said investigators were still trying to determine the extent of the security breach and exactly how many warheads were involved in the data transfers.

The legacy codes and the warhead data that goes with them could be particularly valuable for a country, like China, that has signed on to the nuclear test ban treaty and relies solely on computer simulations to upgrade and maintain its nuclear arsenal. The legacy codes are now used to maintain the U.S. nuclear arsenal through computer simulation.

N.Y. Times Bans Tobacco Ads, Joining Several Other Papers

By Doreen Carvajal
New York Times Service

NEW YORK — Joining a small group of newspapers, The New York Times will ban cigarette advertising in its pages, effective Saturday.

The newspaper decided to impose the ban because of concerns about the harmful effects of cigarette smoking, said Nancy Nielsen, a spokeswoman for The New York Times Co.

"Deciding on the acceptance of advertising often means we have to weigh the pros and cons of competing and sometimes conflicting values," Ms. Nielsen said, adding, "We don't want to expose our readers to advertising that may be dangerous to their health."

Last year, cigarette advertising amounted to less than 1 percent of the newspaper's \$1 billion in advertising revenue.

For all intents, The Times has already run its last cigarette ad. A full-page color advertisement for Carlton cigarettes, made by the Brown & Williamson Tobacco PLC, was published Monday. No others are scheduled for the rest of the week.

The new policy comes as the tobacco industry faces a prohibition on cigarette billboard advertising this month, part of a \$206 billion agreement the industry reached with 46 states to resolve the states' claims for health costs.

With the ban, The New York Times enters the anti-smoking side of a long-running debate within American journalism. Most American newspaper pub-

lishers contend that it is their duty to maintain a free flow of information that requires that they adopt as few restrictions as possible on the advertising of legal products.

Mark Smith, a spokesman for Brown & Williamson, said that The Times' action has symbolic, rather than practical, weight, because it is a large national newspaper. More than a dozen other American newspapers refuse cigarette advertising, among them The Seattle Times, The Desert News of Salt Lake City and The Christian Science Monitor.

The Times also does not accept advertising for a variety of other legal products, like handguns, Mace or tear gas.

The ban only applies to The Times, not any of the company's other newspapers, which include The Boston Globe. "All of our newspaper properties have the autonomy to make decisions about the advertising they accept," Ms. Nielsen said. The Times is a half-owner of the International Herald Tribune.

Arthur O. Sulzberger Jr., publisher of The Times and chairman of the company, said he did not consider cigarette advertising a free-speech issue.

"The First Amendment gives the press the right to publish what it chooses to," he said. "It doesn't force the press to publish something, whether that's a news story or an advertisement. We continue to support the right of other publications to run any advertisement they feel is appropriate for their audience."

OBUCHI: Warming Up for U.S.

Continued from Page 1

intention of drawing up a supplementary budget," he said.

Mr. Obuchi emphasized that government spending was only a modest part of the solution and suggested that there may be only so much that he or any other official can do to revive the economy, which has been in an on-again, off-again slump since the early 1990s. Noting that the greatest part of the Japanese economy is private consumption, he added, "We are somewhat concerned that personal consumption so far has not yet shown a rising curve."

He said there were some areas where the government could help, such as promoting the housing industry and de-regulating the economy. But he gave no indication that he was planning any dramatic deregulation or stimulus program.

Mr. Obuchi and Mr. Clinton also will discuss U.S. military bases on the southern Japanese island of Okinawa, where bases are concentrated, and opposition to them has traditionally been strongest. But the opposition has lost steam in the past few years, and Japanese public support for the bases and for the military alliance with the United States now seems stronger than ever.

"Our relations with the United States are the very

foundation of Japanese foreign policy," Mr. Obuchi said Wednesday. "My own perception of Japan-U.S. relations is that they are at their best and most stable since Japan opened its doors to the outside world."

Mr. Obuchi has long been friendly to America, and on Wednesday he recounted how, as a college student in 1963, he visited the United States for the first time, staying in Washington at the YMCA.

The son of a member of Parliament, Mr. Obuchi won a meeting with Robert Kennedy, who was then the attorney general, and he was given a 1960 "Kennedy for President" tie clip showing the PT-109 boat that John F. Kennedy had commanded when fighting Japan during World War II.

Inspired by that example, Mr. Obuchi said, he has used tie clips in his own campaigns in Japan. He said he was thinking about wearing the PT-109 tie clip on this trip but was afraid he might lose it.

On this trip to Washington, Mr. Obuchi will enjoy fancier accommodation, at the official American guest residence of Blair House.

"Back in those days, the YMCA was the cheapest place in Washington, \$1.50 a night," Mr. Obuchi said, referring to his first trip. "But this time will be even cheaper — Blair House. No charge!"

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ASIA/PACIFIC

Hopes Grow In East Timor Of Disarming Milicias Soon

By Michael Richardson
International Herald Tribune

SINGAPORE — Appearing to fall in line with orders from the Indonesian government and top commanders, the military chief in East Timor said Wednesday that pro-Jakarta militias — which have been widely blamed for killing and terrorizing supporters of independence in the disputed territory — would soon be disarmed.

"They will be disarmed in the coming weeks," Colonel Tono Suratman said in the East Timor capital, Dili.

He was referring to militia groups that foreign officials say have been backed by hard-line elements in the Indonesian Army and police force in order to disrupt a planned United Nations-organized vote on the future of the territory on Aug. 8 so that East Timor does not become independent and set a precedent that other parts of Indonesia would try to follow.

Colonel Suratman's assurance came as Australian officials said Wednesday that the Indonesian president, B.J. Habibie, had agreed to sign a UN-brokered package of measures on East Timor that includes a section disarming militias in the territory and ensuring the neutrality of the Indonesian armed forces that will have primary responsibility for providing security in the run-up to the August vote.

Indonesia invaded East Timor in 1975 and annexed it in 1976. Jakarta has since had to battle pro-independence guerrillas and to contend with UN disapproval and international opprobrium.

Mr. Habibie changed Indonesian policy in January when he announced that Jakarta would consider allowing East Timor to separate if it rejected an offer of wide-ranging autonomy.

But the militias' use of force and terror in the territory since then has cast doubt on the credibility of Jakarta's new policy and drew strong condemnation from the United States, the European Union, Australia and other countries that are providing urgently needed loans and aid to Indonesia to help it recover from its worst recession in more than 30 years.

The Australian prime minister, John Howard, who held talks on East Timor with Mr. Habibie in Bali on Tuesday, said that he had no reason to doubt the sincerity of commitments made by the Indonesian leader.

"There has been a strong commitment made by the Indonesian govern-



An Indonesian police officer carrying a flag of the Free Aceh Movement after removing it from a government building in Lhokseumawe, Aceh, one of several Indonesian regions where separatist movements are active.

ment in the holding of an open and clean ballot," Mr. Howard said on his return to Canberra.

He said that there had been a recent shift in both the government's control of the Indonesian military and in relation to the military's activities in East Timor.

"There is a realization that things have to change, and things have begun to change," Mr. Howard said. "How far

Australian officials say that the Indonesian president has agreed to sign a UN-brokered package of measures including a section to disarm rival political groups.

they've changed, how effective that change has been, is obviously something that we have to see unfold," he noted, adding that the "world will suspend judgment until those events take place."

Pro-independence groups and other critics of the Indonesian military expressed doubts that the East Timorese militias would be disarmed quickly or completely — a step that is considered vital if a reasonably free and fair vote is to be conducted, and the results accepted without further resort to violence.

Heightening such concerns, the leader of one of the militias said Wednesday that he rejected the plans to hold the Aug. 8 vote and threatened to create more trouble in the already tense and divided territory.

"For us, we are trying to tell every-

body we reject it, refuse it," the militia leader, Jose Estevo Soares, said after meeting the British junior Foreign Office minister, Derek Fatchett, in Dili, Reuters reported.

"We are ready to face any situation including going up to the mountains and fighting for 23 years or even longer," Mr. Soares said.

But another East Timorese militia

leader, Eurico Guterres, said that he welcomed the arrival of the United Nations, as long as it remained neutral.

"I just ask that they come with a neutral attitude and act in a way that truly helps all groups," he said, adding that after the UN observers' arrival, his group will disarm if the pro-independence groups also surrender their weapons.

Most analysts expect that unless fear distorts the voting, a majority of East Timorese will reject the Indonesian autonomy offer and opt for independence because of their bitter experience of repression and human rights abuses by the Indonesian military since former President Suharto authorized the invasion of the former Portuguese colony, and Indonesia's highest constitutional body made it an Indonesian province in 1976.

Mr. Habibie said Tuesday after meeting Mr. Howard in Bali that he would approve UN proposals for organizing and securing the autonomy or independence vote without any changes so that the deal could be signed by Portugal, Indonesia and the United Nations in New York by May 5.

The Indonesian armed forces commander and defense minister, General Wiranto, who also attended the Bali talks, said that foreign police officers would be sent to East Timor starting next month to "give assistance to the Indonesian police."

But he said that they would only be advisers as part of the UN presence and would not form a UN peacekeeping force as demanded by pro-independence groups that do not trust the Indonesian military.

Australian officials said Wednesday that they expected the first UN police to arrive in East Timor early in May and that the Australian government expected the officers to be able to play enough of a supervisory role to deter violence between rival political groups.

Mr. Habibie said that he had asked six nations — Australia, Japan, the Philippines, Germany, Britain and the United States — to help supervise the voting.

Australia on Tuesday promised 20 million Australian dollars (\$13 million) to help Indonesia pay for the cost of the Aug. 8 vote in East Timor, more than half the estimated \$30 million it will take to hold the balloting.

Indonesia, Unprepared, Gets Ready for an Election

June 7 Balloting Is a Step Toward Democracy

By Seth Mydans
New York Times Service

JAKARTA — Indonesia is holding its breath. Ready or not, it is about to leap into the second phase of its transition from 32 years of dictatorship with an election — just six weeks away — that will shape the post-Suharto era.

Though the election has been planned for months, it is fraught with uncertainties, from unresolved technical questions to the possibility of violent rivalries and attempts to derail the balloting.

The election, scheduled for June 7, will be the first step in a complex process of selecting a 700-member body that is to choose a president in November. No one of the parties is expected to win a majority. The leading parties will be happy to win 30 percent of the vote. Intense coalition-building is expected after the election.

It will be the first democratic vote in this nation of 200 million people since the 1950s and the capstone to the uprising that forced former President Suharto from power last May.

But with competing interests — political and religious rivalries, major economic fiefdoms, an unsettled military and a plethora of armed groups — and with election preparations far behind schedule, many analysts are bracing for confusion, electoral disputes and violence.

"We don't want to see more dead victims in the process of democratization," President B.J. Habibie said recently. "We all want to see a smooth, peaceful election. Otherwise disaster is waiting for us."

Since Mr. Suharto took power in 1967, no one has ever lost a presidential election in Indonesia. No surprise, Mr. Suharto was always the only candidate.

A do-or-die contest with 43 parties will be a new experience, with unpredictable results.

"We are probably heading for a very chaotic election," said David Timberman, an American elections analyst. "There is far too much that needs to be done with far too little time and far too few resources."

"Even the best-case scenario will probably be characterized by a great deal of ad-hocism and improvisation, which in turn will lead to confusion, inconsistencies and, as a result of that, a great number of disputes and controversies. There is nobody who knows how this is going to turn out."

A Western diplomat said, "The diplomatic community expects serious violence in May and June, but it has very, very little idea of what the consequences might be for the election."

very little idea of what the consequences might be for the election.

"I am relatively optimistic that the election will take place and that the votes will be distributed relatively fairly," the diplomat said. "I expect we'll see a lot of violence and, in the end, see some kind of coalition emerge."

Hari Tahan, a political analyst with the Center for Strategic and International Studies, said the greatest threat of instability would come from a possible victory by Golkar, the political party formed to protect the interests of Mr. Suharto. It still dominates the government.

Golkar is the party of President Habibie, who is resented by many in the political elite because of his ties to the past. He was Mr. Suharto's vice president. This taint, along with sharp internal rivalries, make it unclear whether Mr. Habibie will be the party's presidential nominee.

"If the forces considered to be pro-status quo win, people will just not accept that," Mr. Tahan said. "There will be prolonged disturbances, prolonged tension."

Though the country's many competing groups have, for the most part, swapped street demonstrations for electoral politics, the momentum still appears to be with the forces of change. An outcome that does not bring a clear-cut end to the Suharto era will not be widely accepted, Mr. Tahan said.

But Mr. Habibie has overturned much of the legacy of his mentor and introduced a vividly open new style of leadership.

For the moment, the capital is strikingly calm. The disruptive student demonstrations and violence of some months ago have disappeared from the streets. The collapse of the economy has become a way of life, with people hunkering down in more frugal and limited lives.

An outbreak of communal violence that has taken hundreds of lives this year in several remote areas has not, so far, spread to the capital or had a significant political impact here.

But the potential for widespread violence remains, particularly as Indonesia's economy continues to founder. The local eruptions have mostly involved long-suppressed ethnic, religious and separatist conflicts, issues that are reflected across Indonesia.

They could flare spontaneously or be provoked for someone's political gain, at any time.

BRIEFLY

Ex-Khmer Rouge Executioner Found

PHNOM PENH — The chief of the security service of the Khmer Rouge, who ordered the torture and killing of at least 14,000 men, women and children in the late 1970s, has been found, the Hong Kong-based Far Eastern Economic Review reported Wednesday.

The discovery of the man known as Duch was to appear in the current issue of the weekly magazine. A British photographer, Nic Dunlop, and a Review reporter, Nate Thayer, who in 1997 became the first outsider to see the notorious Khmer Rouge leader Pol Pot in 18 years, met the 56-year-old Duch.

Duch disappeared when the Khmer Rouge was toppled in 1979 and was long presumed dead.

Duch told the Review that he was sorry for the killings and was willing to face an international tribunal. His emergence could increase pressure on Prime Minister Hun Sen to bring other Khmer Rouge leaders to trial. In theory, Duch could be a key witness, able to implicate those above and below him. Only one senior Khmer Rouge figure, the hard-line General Ta Mok, is in custody awaiting trial. (AP)

Bus-Train Crash Takes Toll in India

BAHRAICH, India — At least 39 people died and 35 were seriously injured when a train rammed into a crowded bus in the north Indian state of Uttar Pradesh, officials said.

The bus was carrying 74 villagers to a wedding Tuesday night when it was rammed by a train at a level crossing that did not have gates to regulate road traffic.

Indrajit Verma, administrator of Bahraich district, where the accident took place, said there were no casualties aboard the train.

Mr. Verma said the crash site was about 80 kilometers (50 miles) northeast of the state capital of Lucknow, near the border with Nepal. (Reuters)

For the Record

La Niña may bring more big floods to northern China this year, the state-run Xinhua press agency quoted a senior official as saying. La Niña, a swelling of cold water in the Pacific Ocean off the South America coast, is the antithesis of the Pacific warm-water phenomenon El Niño, which helped cause severe floods in China last summer. (Reuters)

Beijing Gives a Late Scolding On Religious Cult's Gathering

By Seth Faison
New York Times Service

SHANGHAI — The Chinese authorities broke their official silence Wednesday on the recent demonstration in the heart of Beijing by more than 10,000 followers of a religious cult called Falun Gong, calling the gathering "completely wrong."

A report by the Xinhua news agency, carried in several newspapers and broadcast on state television and radio, acknowledged that the protest had occurred and seemed to try to warn other potential protesters not to try anything.

"This kind of gathering affected the Communist Party's Central Committee and State Council as well as the life of the masses, and was completely wrong," the report said. "Actions endangering social stability under the pretext of practicing qigong must be punished according to law."

Qigong is a broad category of traditional Chinese teaching that believes that human energy can be channeled to improve physical and mental health, heal illness and, when mastered, to achieve supernatural powers. Falun Gong is a particular sect of qigong, led by Li Hongzhi, a qigong master whose following became so large that he left China under pressure from the authorities two years ago and now lives in New York.

Anwar's Wife Speaks in Manila

Compiled by Our Staff From Dispatches

MANILA — The wife of Anwar Ibrahim, the jailed Malaysian dissident leader, arrived here Wednesday to seek support for her husband and meet with President Joseph Estrada, in a visit that has already strained ties between the two countries.

In a speech before a civic group here, Azizah Ismail denounced what she called corruption and abuse of power in Malaysia. "A new wave of change has swept the country that has made people more aware that the struggle between right and wrong is an eternal one and is not irrelevant to their condition now," Mrs. Azizah said.

Taking her crusade for reforms to a wider international audience, Mrs. Azizah said her husband's "only crime was attempting to lift the veil that conceals the evil of abuse of power, corruption, nepotism and cronyism in my country."

Mrs. Azizah, who leads a faction known as the Social Justice Movement in Malaysia and has spearheaded Mr. Anwar's crusade for change since his arrest last September, arrived here Wednesday with her eldest daughter, Nurul Wahid, and an aide.

Mrs. Azizah had defied objections by the government, which feared

that she would use the trip as a platform for her cause and expressed its unease with Manila.

On Tuesday, Malaysian officials summoned the Philippine ambassador in Kuala Lumpur to convey their displeasure over the visit.

Mrs. Azizah was invited as a personal guest of former President Corason Aquino and her trip should not be viewed as Philippine interference in Malaysia's affairs, Mr. Estrada has said.

Mrs. Aquino's husband, the late opposition leader Benigno Aquino, was imprisoned during the rule of Ferdinand Marcos.

Last year, Mr. Estrada was the first foreign leader to publicly criticize the jailing of Mr. Anwar, a former deputy prime minister. Mr. Estrada openly expressed support for Mr. Anwar and considered boycotting an international forum in Malaysia to protest the arrest.

Mr. Anwar was sentenced two weeks ago to six years in prison for corruption and is facing additional charges of sexual misconduct.

Once a rising star in Malaysian politics, he was fired as deputy prime minister and finance minister last September by Prime Minister Mahathir bin Mohamad. (AP, AFP)

APPEAL TO ALL STATES TO COMMIT THEMSELVES TO THE CHEMICAL WEAPONS CONVENTION

"The Chemical Weapons Convention entered into force two years ago - on 29 April 1997. It is a historic milestone in the efforts by the international community to prohibit and eliminate an entire category of weapons of mass destruction - chemical weapons - under strict and effective international verification and control. The Organisation for the Prohibition of Chemical Weapons (OPCW) is the Organisation which is legally and politically responsible for the full and effective implementation of the Convention. It therefore makes a significant contribution to enhanced international peace and security in our time."

As Director-General of the OPCW, I appeal on this solemn occasion to all states which have not yet done so, to ratify or accede to the Convention, and in this way to share in the creation, for themselves, for their children and for ours, of a world which will forever be free of the threat of these terrible weapons.

Such an occasion must also be marked by a recognition of the remarkable contribution which the 121 member states of the OPCW have already made towards realising the dream of a world free of chemical weapons.

Let us all resolve to enter the new millennium, leaving behind us the legacy of chemical weapons for the sake of peace and prosperity for humanity."

José M. Bustari
Director-General of the OPCW

THE STATUS OF INTERNATIONAL SUPPORT FOR THE CHEMICAL WEAPONS CONVENTION, (as of 29 April 1999)

Number of States Parties:	121
Number of States which have signed but not yet ratified:	48
Number of States which have not yet acceded:	23

STATES PARTIES TO THE CHEMICAL WEAPONS CONVENTION

Albania, Algeria, Argentina, Armenia, Australia, Austria, Bahrain, Bangladesh, Belarus, Belgium, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Chile, China, Cook Islands, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Ecuador, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Finland, France, Gambia, Georgia, Germany, Ghana, Greece, Guinea, Guyana, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Latvia, Lesotho, Lithuania, Luxembourg, Malawi, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Morocco, Namibia, Nepal, Netherlands, New Zealand, Niger, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saint Lucia, Saudi Arabia, Senegal, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Suriname, Swaziland, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Togo, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Venezuela, Viet Nam, Zimbabwe.

STATES WHICH HAVE SIGNED, BUT NOT YET RATIFIED, THE CHEMICAL WEAPONS CONVENTION

Afghanistan, Azerbaijan, Bahamas, Bhutan, Cambodia, Cape Verde, Central African Republic, Chad, Colombia, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Estonia, Gabon, Grenada, Guatemala, Guinea-Bissau, Haiti, Holy See, Honduras, Israel, Jamaica, Kazakhstan, Kyrgyzstan, Liberia, Liechtenstein, Madagascar, Malaysia, Marshall Islands, Micronesia (Federated States of), Myanmar, Nauru, Nicaragua, Nigeria, Rwanda, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, San Marino, Sierra Leone, Thailand, Uganda, United Arab Emirates, Yemen, Zambia.

STATES WHICH HAVE YET TO ACCEDE TO THE CHEMICAL WEAPONS CONVENTION

Andorra, Angola, Antigua & Barbuda, Barbados, Belize, Democratic People's Republic of Korea, Egypt, Eritrea, Federal Republic of Yugoslavia, Iraq, Kiribati, Lebanon, Libyan Arab Jamahiriya, Mozambique, Palau, Sao Tome & Principe, Solomon Islands, Somalia, Sudan, Syrian Arab Republic, Tonga, Tuvalu, Vanuatu.

EUROPE

Many in Europe See War As Decisive Moment for Integration and Identity

By Roger Cohen

New York Times Service

BERLIN — A month of war in Europe has already brought deep changes to the Continent, awakening a new sense of European patriotism, rekindling tensions over "American imperialism" and reviving the sagging fortunes of some leaders.

Raised after World War II to reject military violence but also to ensure that the barbarism of Hitler and Stalin never be repeated, a generation of Europeans has been abruptly forced by events in Kosovo to a painful choice between these principles.

In general, they have come out in favor of using military power to try to stop the "ethnic cleansing" of Kosovo and have increasingly portrayed the fate of the province as a decisive test of Europe's commitment to a continent freed in the 21st century of the mass deportations and killings that marked this one.

Ludger Volmer, deputy foreign minister of Germany and a member of the once pacifist Greens party, said: "We have to fight for our Europe, where boundaries no longer matter, against old notions of a Europe of ethnic identity and race-based violence. An integrated Europe with an open wound in the Balkans is unimaginable."

Despite the unconvincing results of more than four weeks of bombing and the failure of past appeals to rally to a European, rather than national, ideal, such ideas have had a surprising resonance as images of desperate refugees fleeing Kosovo have filled newspapers and television screens.

A majority of people in Britain, France, Germany and Italy support the military campaign. A poll last week in France showed 70 percent in favor of the

intervention by the North Atlantic Treaty Organization. Support for Chancellor Gerhard Schröder of Germany has surged as his chief preoccupation has become war rather than unemployment.

Indeed, such is the popular support that the British and French governments have felt able to go further than President Bill Clinton in suggesting the use of ground forces, although the allies' summit meeting last weekend suggested that support for a land war is limited.

"We have to be ready to die for Pristina," Andre Glucksmann, a well-known French philosopher, said, referring to the capital of Kosovo, "because to die for Pristina is to die for the future of Europe."

"Americans have died for Europe twice," Mr. Glucksmann added. "Now we have to make sacrifices to show this Continent will no longer tolerate policies that recall Stalin."

Further, Europeans have been looking to their own future. Many see the conflict as a decisive moment for the internal politics of the Continent, one that could give Europe the political and military identity it has lacked even as economic ties have strengthened.

Images of trainloads of deportees, of stunned refugees with unseeing eyes, have stirred terrible memories. In a Europe no longer divided by the Cold War, the images have prompted a determination to act, and to establish a Continent-wide respect for human rights that will serve as the basis for the Europe of the next century.

But this bold new determination to salvage Europe's pride after a wounding century, a determination embodied most emphatically in the oratory of Prime Minister Tony Blair of Britain, is by no means shared by everyone.

With a U.S. general directing the NATO military campaign, deep concern or outright anger over European dependency on Washington and over what some see as America's control over the post-Cold War world has surfaced.

Deploing Europe's premature decision to cash in the "peace dividend" and cut military spending, Foreign Minister Lamberto Dini of Italy said: "The United States cannot be the gendarmes of the world, nor the mercenary soldiers for countries that do not intend to assume military responsibility."

In a distinctly anti-American tone, some French intellectuals have portrayed the war in Kosovo as the latest attempt by Washington to satisfy the appetites of its military-industrial complex, undermine Europe and bolster the unilateral power the United States has enjoyed since the Soviet Union collapsed.

"The undeclared war in the Balkans is not a war against the Serbs," Denis Duclos, a French sociologist, wrote in the French daily *Le Monde*. "It is a war against Europe." Disguised as a fight for a certain morality, it is in reality a struggle to "stamp out definitively any hope of a multipolar planet," he wrote.

Such anti-Americanism is not new in France; but its tone has been sharpened by events and has found strong echoes among small leftist parties, though not with the dominant center-left forces.

Up to now, it appears that a crisis of European-American relations has been averted, although one could develop if the current confusion turned into a debacle.

A rupture in relations with Russia has also been avoided, and Western governments now seem determined to back a Russian-led peace bid because President Boris Yeltsin's influence in Belgrade is considerable. Whatever the outcome of this diplomacy, concern is strong that Moscow not be alienated.

After Europe's profound failure in Bosnia, the desire to assert a political and military identity with a success in Kosovo is strong.

And with the arrival this year of the common European currency, the euro, the Continent has been seeking a new catalyst for political and military integration.

"Kosovo could be our military euro, creating a political and defense identity for the European Union in the same way as the euro is the expression of economic and financial integration," said Ulrich Beck, a professor at Munich University.



Anti-terrorist police sifting through the debris at the Athens Intercontinental Hotel.

Leftist Guerrillas Claim Athens Hotel Bombing

Reuters

ATHENS — A woman was killed and a man was seriously injured in a bomb attack at the Intercontinental Hotel by a leftist group protesting NATO's bombing of Yugoslavia.

Police said the time bomb, placed at one of the hotel's entrances, went off late Tuesday while the hotel was being evacuated after a warning call by an anonymous caller.

"There was not enough time to evacuate the building, with the explosion taking place less than 15 minutes after the call," a police official said.

The victims were attending an economic conference at the hotel near the city center. Most of the ground floor suffered substantial damage.

Police cordoned off the hotel and blocked traffic on the busy avenue that connects the capital with the airport.

The anonymous caller said he was from the leftist urban guerrilla group Revolutionary Nucleus, which has bombed state buildings and foreign banks since emerging in 1996. The group later sent a letter to an Athens newspaper saying the attack was "an answer to NATO's raids in the Balkans."

Anonymous callers claiming that more bombs were about to go off spread panic to a number of other hotels, including the Athens Hilton, which were also evacuated by police.

"The attack is condemned by all Greeks," the government spokesman, Dimitris Reppas, told reporters on Wednesday. "It underlines the need to step up our efforts against terrorism."

Greece is a NATO member but also a traditional Serb ally. Recent polls showed more than 90 percent of the population opposing the North Atlantic Treaty Organization's air strikes.

Greece estimates it has suffered damages of up to \$1 billion from lost tourism revenues and blocked trade routes through Yugoslavia.

The guerrilla group last hit in December with two bombs that damaged the American Express and Barclays bank branches in the port of Piraeus but caused no injuries.

War Highlights Shortfall in U.S. Troop Mobility

By Eric Schmitt and Steven Lee Myers

New York Times Service

WASHINGTON — Ever since the Gulf War, the Pentagon has tried to transform its forces into lighter, mobile units able to intervene swiftly in the world's trouble spots. But as the war in the Balkans has shown, the military is anything but the "expeditionary" force it wants to be.

Despite the expenditure of billions of dollars in the 1990s on ships and aircraft meant to give the U.S. military rapid global reach, the Pentagon's war effort in the Balkans has struggled to overcome the obstacles inherent in moving military might thousands of miles.

Even dispatching two dozen Apache helicopters from Germany to Albania has taken a month as the Pentagon juggled the need to provide aid to refugees with the austere conditions of Albania's airfield, while wrestling with the NATO bureaucracy.

The reasons for such delays vary — from the fact that the Pentagon has only recently begun to reshape its transportation to the fact that few experts, after the Cold War, envisioned fighting a major land war in the Balkans. Instead, the Pentagon shifted much of its attention and its heavy equipment to preparing for wars in the Gulf and the Korean Peninsula.

Some critics have accused the Pentagon of moving slowly to create smaller, more mobile forces, but officials say that no matter the shape of army divisions, sending large numbers of troops has always and will always take time.

The United States and many NATO allies oppose putting ground forces into Kosovo in anything but a peacekeeping role. But with prodding from Britain and France to update the assessment of what troops could be needed to wage a ground war, the North Atlantic Treaty Organization has signaled a new willingness to at least consider using ground forces to evict the Yugoslav Army from Kosovo.

But there is still neither the political will to mount an invasion of Yugoslavia nor the ability to do so any time soon. Pentagon and NATO officials said it would take two to three months to assemble a force large enough to do the job, depending on its exact mission. NATO planners would need at least a couple of weeks just to prepare the details.

When NATO first addressed the issue last autumn, alliance planners estimated that 75,000 troops would be needed to invade Kosovo and as many as 200,000 ground forces to take control of all of Yugoslavia. These numbers are likely to grow as aides to the NATO supreme commander, General Wesley Clark, up-

date their assessment in the next few weeks.

"If we had an option — a planned option for ground forces — it would be a long and drawn-out proposition from the deployment to using it," General Henry Shelton, the chairman of the Joint Chiefs of Staff, told Congress recently.

No other country has the means to move military forces around the globe the way the United States can. But American strategy still rests on a simple fact: Even the best forces are no good if they cannot get to the front quickly enough.

The time needed is such that winter could arrive just as NATO assembled a ground force large enough to rout Serbian forces in Kosovo, which is accessible from the south only through narrow passes.

Some military experts say NATO and the Pentagon have the ability to move more rapidly into the Balkans but, so far, lack the will to do so.

Michael O'Hanlon, an analyst at the Brookings Institution, said that the Pen-

tagon could deploy a smaller force — such as an assault division — within a month, though a fear of casualties was driving planners to consider only using overwhelming force. Mr. O'Hanlon added that a lack of foresight, as much as logistics, would contribute to delay.

"If the administration had its head anywhere above water when this began," he said, "they would have already been thinking about the need for ground forces. If they had started to send, say, a week into the war, they'd be there by now."

The collapse of the Soviet Union — followed by the Pentagon's struggle to amass the forces necessary to drive Iraqi troops out of Kuwait in 1991 — prompted the military to rethink how it dispatches forces to deal with crises in far-flung parts of the world.

After the Gulf War, all of the U.S. armed services moved to make themselves more agile. But many of the new methods are still evolving.

Because planners failed to anticipate a major war in the Balkans, the U.S. Army

withdrew much of its stockpiles from Europe. The army now has stocks for only three brigades — not even a full division — in the Netherlands, Germany and Italy.

Any significant ground force deployed to fight in Yugoslavia would have to rely on equipment transported from the United States.

The army has outlined a strategy for moving its forces, known as the Strategic Mobility Program. Under this plan, the army sets goals for moving different sizes and strengths of troops.

A light infantry division of 11,000 soldiers, which can be flown most anywhere fairly quickly, is supposed to arrive within 12 days. The heavier divisions take longer. Two heavy armored divisions — with 34,000 troops and 101,342 tons of equipment — should be able to arrive in Europe from the United States within 30 days.

But the heaviest force under the strategy, five divisions and more than 100,000 troops, would not be expected to arrive for 75 days.

BRIEFLY

Death Is Sought In Ocalan Trial

ANKARA — The trial of the jailed Kurdish rebel leader Abdullah Ocalan on treason charges opened here Wednesday, with prosecutors calling for capital punishment, the NTV news channel reported.

It was the first legal move against Mr. Ocalan since his capture in Kenya and forced return to Turkey in mid-February.

In an indictment submitted to the court Wednesday, the prosecutors detailed acts allegedly carried out by Mr. Ocalan's Kurdistan Workers Party in its 15-year campaign for Kurdish self-rule and called him responsible, NTV said. (AFP)

UN Agency Urges Halt of Executions

GENEVA — The United Nations human rights agency on Wednesday called for a worldwide moratorium on executions as a prelude to abolishing the death penalty.

The UN Commission on Human Rights, holding its annual meeting in Geneva, approved the resolution on a vote of 30 to 11 with 12 abstentions. Among those voting no were the United States and China, long criticized by human rights groups for the use of capital punishment. (Reuters)

For the Record

Elections to pick the next Italian president will begin May 13, the speaker of the lower house of Parliament said Wednesday. Italian presidents are elected by members of the upper and lower houses meeting in joint session with special regional delegates. (Reuters)

CROSSWORD

ACROSS

- 1 What do —?
- 8 Hindu hero
- 10 Surly-looking goat
- 14 Runway walker
- 15 End of a Baum tale
- 16 Legal plea, for short
- 17 Belittle
- 18 Very much
- 19 First Secretary of War
- 20 Never having heard "Pearl" or "Sally"?
- 21 First
- 22 Harvest fly

Solution to Puzzle of April 28

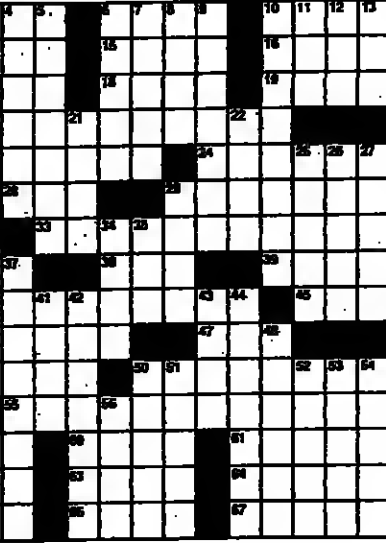
PALMY SHAME ARM
ELOPE BELON LEE
CATSAREALOT ATE
ORT SEAR AIMAT
SMARTER THAN DOGS
ASKS EGG
BEAN ELL ETE
TRYESTIMIGHT
TIE CORD NOEL
ASTI BOCK
CASTOPULASLED
ALPHA BOER ETE
MIL THROUGH BOW
EVE IOWA OPINE
SEY GREYE PLAINISY

DOWN

- 2 Palmes
- 3 Swung, so to speak
- 5 Way back when
- 6 Occasion to buy a CD of the "Pirates" movie?
- 7 Very dry
- 9 Kinship
- 11 Birdbrain
- 12 Opening note to "Carmen"?
- 13 Clock setting at UN
- 14 Strong adjectives
- 16 Slowdown

DOWN

- 1 Spin doctor's concern
- 2 Certain helicopter
- 3 Freighter Red
- 4 Handle, as used goods
- 5 Mournful
- 6 Thunders
- 7 G-sharp equivalent
- 8 Mary's symbol
- 9 Prefix with day or year
- 10 Waterfront
- 11 One who encouraged the composer of "Porgy and Bess"?
- 12 1972 and '74 Oscar-winning screenwriter
- 13 Artist Mondrian
- 14 Painted arch
- 15 It's dipped in milk
- 16 Magazine with a cover
- 17 Theologian Karlstadt
- 18 Filicious gesture
- 19 Sponges
- 20 African head number



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Q & A / Nursultan Nazarbayev

Kazakhstan Backs Russia on Kosovo

International Herald Tribune

Kazakhstan, a former Soviet republic, is one of the most Asian of the Partnership for Peace countries that met last weekend with their NATO counterparts in Washington. Reaching from the Caspian Sea to China, it covers five times the area of France. President Nursultan Nazarbayev, who has been praised for maintaining stability in his country but increasingly criticized for autocratic rule, spoke in Washington to Brian Knowlton of the International Herald Tribune about his view, and the impact on Russia, of the Kosovo crisis.

Q. What is Kazakhstan's position on the crisis in Kosovo?

A. We share the position of Russia that the bombing should be stopped, while at the same time stopping the Serbs from pushing the Kosovars out of their country, and we should sit down and negotiate.

We are pleased to see that the politicians who support the idea of a peaceful solution are becoming more and more active — the German foreign minister, the secretary-general of the United Nations. The Russian politicians are very active, and we hope it will lead to a solution.

Q. From your perspective, as part of the former Soviet Union, how badly have Western relations with Russia been damaged by the Kosovo crisis?

A. The relationship has suffered immensely. Russia, of course, canceled its presence at the NATO meeting and ignored the Washington summit. Relations are really bad.

Q. What about the impact on politics within Russia?

A. An election to the Duma, or state Parliament, and the presidential elections are coming up there. Every political group is trying to use this crisis, playing to their constituencies, and nationalism is raising its head.

I'm more concerned with that sort of development than with the Russian relationship with the West. Russian generals have started talking about NATO almost as an enemy, just as they did during the Cold War.

Thus, finding a peaceful solution for the Kosovo problem would be beneficial for the development of democracy in Russia.

That is why I told the IMF that we should provide assistance to Russia, and not isolate it politically.



Tim Stewart/APP

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Protesters in Beijing

The large, silent demonstration in Beijing last Sunday by members of a spiritual sect was the biggest protest in China's capital since the pro-democracy demonstrations in Tiananmen Square 10 years ago. Yet China's leaders allowed the peaceful sit-in to go on all day right outside the top leadership's compound, and there are reports that Prime Minister Zhu Rongji met with several members of the group. The government has responded cautiously because the group represents a popular social movement. China's leaders are hoping to control a phenomenon whose ancient antecedents brought down several Chinese dynasties and which presents a challenge of uncertain dimensions to Communist Party rule.

The government estimates that Buddhist Law, the nonviolent sect that staged the protest, has 70 million adherents in China. Members practice a form of qigong, an ancient Chinese belief in the healing and even supernatural powers of harnessing a specific bodily energy. The sect mixes qigong with Buddhism and opposes consumerism, rock music, television, extramarital sex and use of alcohol. Its leader, Li Hongzhi, was pressured to leave China and now lives in New York.

Qigong has not always been associated with nonviolent activities. In the third century a qigong-style movement that used faith healing and predicted the end of the world took over a fourth of the country and helped bring about the fall of the Han dynasty. Similar movements in the Middle Ages and the late 18th century led to violent upheavals. Qigong was also central to the Boxer

Rebellion against foreigners early in this century, as the fighters believed that qigong protected them from bullets.

Today, in a time of rapid modernization, unemployment, mass migration to the cities and a relaxation of Communist Party control of people's private lives, qigong is once again growing. It is so popular, and such a part of Chinese history, that many party leaders themselves practice some form of it. They cannot simply dismiss it as foreign, their typical slur on the democracy movement.

In the 1980s, the Communist Party began trying to attract support by adopting aspects of popular ancient doctrines, like Confucianism and qigong. It endorsed the ancient notion that qigong beliefs were part of Chinese medicine. The leadership's strategy this week seems to be similar. It wants to avoid responding harshly, which could alienate millions, and is trying to befriend the sect's leaders and use its support to increase the party's legitimacy.

While normally any organized challenge to the Communist Party is something to applaud in China, students of Chinese history are wary of Buddhist Law. Hundreds of qigong organizations have sprung up around China in recent years. Some are simply health and exercise groups, but others are being used by demagogues. Especially if the economy slows, China can expect even more rapid growth in a movement symptomatic of people's search for meaning in a time of uncertainty. Whether it will be constructive for China remains to be seen.

—THE NEW YORK TIMES

Time for Gun Control

The Colorado school massacre has generated what amounts to a national conversation about causes and cures, raising issues as simple as school security, as delicate as parental responsibility and as complex as the biological and cultural roots of teenage violence. This discussion could well lead to a more alert and safer society. But there is one blindingly obvious issue that should be addressed right away — the issue of gun control.

Congress, nervous about the gun lobby, is divided on the subject. The public, we suspect, is not divided at all, at least on the matter of keeping guns and explosives out of the hands of young people. The Colorado tragedy has provided the right moment to take the issue of gun control off automatic pilot, where it has been for years, and move it forward in a dramatic way.

President Bill Clinton seems to have sensed that such a moment may be at hand, that the country may be at one of those rare turning points where the weight of public shock and anger creates the conditions for major legislative change. On Tuesday he offered a solid package of gun control measures. The package, a mixture of old measures ignored by Congress and several new initiatives, offers no guarantee against a repetition of the Colorado horror. No law can do that. What these measures would do is reduce the risk by making it harder for disturbed young people to obtain guns and explosives.

Such change will not come easy in this Congress. Republican leaders have expressed a wish for a national forum on "youth and culture," a clear indication that they prefer to talk about anything other than gun control. The Democrats, many of whom attribute their congressional losses in 1994 to that year's vote to ban assault weapons, seem equally skittish. "I'm not sure that gun control is what we need," said their leader in the Senate, Tom Daschle, who preferred to dilute about violence on the Internet and in the media.

Yet Mr. Clinton's package is one around which the public and Congress, if it will only open its eyes and ears, can usefully rally. Its key elements deserve thorough debate and an up-or-down vote in both Houses of Congress by midsummer. We can think of no better legislative gift to the students who will be returning to school next fall.

Several provisions are aimed at closing off the ways in which young people lay their hands on weapons. One would raise the minimum age for possessing handguns to 21. Federal law prohibits federally licensed gun dealers from selling handguns to anyone under 21, but allows 18- to 20-year-olds to possess handguns and even to buy them from unlicensed sellers, such as an

older friend, which may be how the Colorado shooters obtained some of their arsenal. Another proposal would ban juvenile possession of semiautomatic assault rifles, as well as imports of high-capacity ammunition clips.

A third provision would hold parents criminally liable when they "knowingly or recklessly" allow a child access to a weapon that later causes death or injury. Sixteen states already have such laws, and they have helped reduce violence. A fourth provision would require dealers, manufacturers and importers to provide a child safety lock with every gun. This proposal could be strengthened by requiring that the locks be pre-installed at the factory.

Congress could go a step further by underwriting "smart gun" technology to prevent the firing of weapons by people other than authorized users. The president also recommended updating the 1993 Brady law, which requires a background check of handgun buyers and has prevented more than a quarter of a million felons from obtaining handguns. Mr. Clinton would extend the Brady background check to the sale of explosives, and close a loophole that allows people to evade a check by buying guns at gun shows or flea markets. At the same time, Congress needs to plug another loophole identified by Senator Charles Schumer of New York, by prohibiting gun sales over the Internet.

Mr. Clinton endorsed for the first time the notion of limiting individual gun purchases to one a month — an antidote, in effect in some states, to illegal traffickers who make bulk purchases in states with weak gun control laws and sell guns to youngsters in states with strong laws, like New York.

This is a big package. But this is the right time to push it. The National Rifle Association is at least temporarily on the run, in the states and in the courts. And the public is eager for change.

—THE NEW YORK TIMES

Other Comment

Guns Are Why, of Course

The country resounds with wails of "Why, why, why?" Guns are why, of course. The number in the United States: 220 million and counting. Immediately, the switchboard of the Washington headquarters of Handgun Control Inc. lit up. What is president, Robert Walker, called "a tidal wave of calls" swamped the staff. They came from people who had no trouble making the connection between the Colorado high school's blood and tears and the obscene availability of firearms.

—Mary McGarry, commenting in The Washington Post.

Serbs' Methods Are the Scandal, Not Their Goals

By William Pfaff

PARIS — Serbs, with some honorable exceptions, seem unable to concede that the cause of their war with NATO is not the goals they have for the Serbian nation but how they have gone about getting what they want.

NATO has never sought Kosovo's separation from Serbia. The Western powers have defended Kosovo autonomy, not independence. They have now set peace terms that logically imply independence — withdrawal of all Serbian forces and installation of a foreign troop presence — because President Slobodan Milosevic's program to expel ethnic Albanians from Kosovo has left them no alternative.

The Western powers do not want a "Greater Albania" incorporating Kosovo. They believe that a merger of Kosovo with Albania would produce trouble in Macedonia and invite further difficulties in Greece and Bulgaria.

The U.S. State Department and the West European governments have always acknowledged that Serbia faced serious problems in dealing with Kosovo. Serbia has a historical claim to the province, but Serbs there have been a declining minority. Kosovo's nationalism is a developing force.

Serbia revoked Kosovo's autonomy in 1989. When that inevitably produced demands for national independence and the creation of a "liberation army," Serbia made the infamous decision to terrorize and expel or murder a suf-

ficient number of Kosovar Albanians to rectify the demographic balance.

The West also acknowledged Serbia's earlier problem with Croats and Slovenians. Serbia's position was comprehensible, and the problems were potentially negotiable. The United States firmly backed Belgrade's position on maintaining the federation. Although Slovenia and Croatia claimed independence at the end of 1990, and declared themselves independent in June 1991, the United States and the European Union did not recognize them until the beginning of 1992.

The urgent Serbian concern was what would happen to the long-established Serbian community in eastern Croatia. Once the Slovenes had successfully resisted federal military intervention, the Milosevic government let Slovenia go. There were no Serbs there.

In Croatia there were more than half a million Serbs. Once again, the problems were potentially solvable. The European Union intervened, but with measures that failed to stop the drift toward war. Croatia's leaders, like Serbia's, had whipped up ethnic passions and resurrected ancient hatreds.

Belgrade backed the Krajina Serbs' campaign to intimidate and "ethnically cleanse" Croats from the re-

gion of Croatia where Serbs were in the majority. They laid siege to the ancient city of Vukovar and eventually destroyed it. The Belgrade authorities had created and backed a secessionist movement that succeeded through terrorism and atrocities against civilians.

The same thing followed in Bosnia-Herzegovina. When Sarajevo declared Bosnian independence, Serbian forces seized two-thirds of the country, expelling the Muslim population.

Once again the Serbs had a tenable argument: They said that the Serbs in Bosnia who did not want to live in a predominantly Muslim state should be free to join Serbia. But the methods by which they attempted to achieve that goal were atrocious.

This is why the democracies condemned the Serbs and defended the Bosnians. The Serbs practiced systematic ethnic persecution while the Muslim majority in Bosnia was defending, at least in principle, a secular and non-ethnic state — a Western democracy.

The West has become the enemy of Slobodan Milosevic's Serbia because his government's response to each of the challenges presented to it since 1991 has been atrocious violence against civilians. Serbs, generally, refuse to accept that this is the explanation. But it is true.

If Belgrade had sought Western support in searching for peaceful solutions to its problems, it would have found it.

The Western reproach to the Serbs is that in their failed attempt to unite the Serbian people in a single country, they have murdered their ethnic rivals, or humiliated them through rape and expulsion. Serbia is hated today for what it has done, not for what it has wanted. Serbs must grasp this if they are to emerge from this crisis successfully.

The democracies' reproach is that after our experience in the first and second world wars the democratic community can no longer tolerate murder, terrorism, rape, pillage and deportation as instruments of government.

That is why NATO must not negotiate any settlement with the present Serbian government that falls short of the demands made when the NATO intervention began: withdrawal of all Serbian forces from Kosovo, return of all the refugees, installation of a foreign armed force to guarantee the Kosovars' security (as well as the security of Serbs who may wish to remain in Kosovo).

Anything less would ratify the methods by which Serbia has waged its wars against its fellow members of the old Yugoslavia. To allow the Milosevic government a more advantageous settlement of this war than it could have obtained at the Rambouillet conference would ratify purge, atrocity and ethnic cleansing as instruments in international relations.

International Herald Tribune.
Los Angeles Times Syndicate.

NATO Needs to Stop Imagining a Kosovo Deal With Milosevic

By Jim Hoagland

WASHINGTON — U.S. and European policymakers assume that Slobodan Milosevic will yield control over Kosovo at some indeterminate point rather than take more aerial pounding from NATO. This assumption flies in the face of the accumulating evidence. It needs to be revised urgently.

NATO has miscalculated Mr. Milosevic's intentions toward Kosovo at least since last autumn. With the prideful NATO summit out of the way, it's time for the alliance's leadership to admit and correct that underlying error. Persisting in misreading the Serbian dictator now would be criminal.

Basic assumptions shape strategy in ways that are rarely re-examined as military campaigns proceed. Washington and its European partners have assumed all along that Mr. Milosevic would do anything to stay in power, including making a deal with the West on

Kosovo, if just enough force were applied. This assumption has NATO's generals fighting a Goldilocks war, searching for the serving of violence that is neither too hot nor too cold.

I spent time at the NATO summit last weekend trying to understand the original miscalculations and how they may shape the immediate future.

American and European officials predicted to each other "only one sure thing" through an autumn and winter of threats and negotiations with Belgrade, according to one knowledgeable official who told me: "Milosevic would not yield Kosovo through negotiations alone. We knew it would take bombing, accompanied by the Serbs' wiping out the Kosovo Liberation Army bases and some civilian losses. Then we thought real negotiations would begin."

But Mr. Milosevic responded to NATO's initial limited air strikes in March by making the entire ethnic Albanian population of Kosovo the target of a savage campaign to depopulate the province. "The KLA collapsed completely, and Milosevic began a total war," said this official, who was deeply involved in the effort and who requested anonymity.

Joschka Fischer, Germany's foreign minister, said the alliance had no alternative: "It was only in going through the experience of discovering that Milosevic was capable of this, which no one predicted, that we have arrived at the support we have in our democratic societies for what we are doing now. I don't accept that it was a miscalculation."

But Mr. Milosevic knows that he caught the United States and its European allies by complete surprise in March. Form suggests that he is likely to up the ante again in dramatic fashion when the bombing begins to threaten his rule.

That may be wrong. The air war may still work. It should be intensified and prolonged, not abandoned. This is still the best-case scenario.

But the worst case, a widening of the war on the ground initiated by the Serbs, should now become the primary focus of strategy, not a backup possibility that is fitfully thought about when time permits.

Assuming that Mr. Milosevic will pull the temple down around him and that NATO forces will soon be fighting Serbian soldiers on the ground in the campaign's main event provides the best chance of avoiding that outcome. Changing the essential assessment of his intentions would force policymakers to meet the hard choices that he is likely to throw at them.

NATO's leaders took some precautionary steps in this direction to the summit. The movement of U.S. armored helicopters and vehicles into Albania and more allied ground troops into Macedonia is intended in part to provide protection for those shaky governments. But the main emphasis of strategy and declared policy continues to be use of the air war to compel Mr. Milosevic to accept NATO's demands.

I asked the foreign ministers of Britain, France and Germany at the summit what they would change or do differently on Kosovo with the benefit of hindsight. Their separate answers were uniform: There was nothing they could think of that the international community could have done to change the course of events.

Mr. Milosevic has at each turn left NATO with no decent alternative to waging more war. The alliance cannot continue to base its strategy on the assessment that he will change now.

The Washington Post.

Washington and the 'Dollarization' of Latin America

By David Ignatius

WASHINGTON — After more than a year of dismissing big ideas for reforming the world's financial system, the Clinton administration may finally have found one it likes — "dollarization" in Latin America, which would allow the emerging economies in the Western Hemisphere to use the dollar as their currency, much as members of the European Union plan to use the euro.

Last week the Federal Reserve chairman, Alan Greenspan, Treasury Secretary Robert Rubin and Deputy Treasury Secretary Lawrence Summers all went on the record with careful statements signaling willingness to discuss dollarization with Latin American leaders. The official Clinton administration policy is that it is neutral on the idea. But when pressed in Senate testimony last Thursday to explain the U.S. position, Mr. Summers put out a wary welcome sign. "It is absolutely not our intent," he said, "to close the door on the consideration of this issue by countries who have that interest."

Some Latin American countries are knocking hard on that door, and engaging in quiet conversations about adopting the dollar as their currency as a way of achieving financial stability and faster growth.

Argentina's central bank governor has endorsed the idea. El Salvador is actively considering moving to a dollar economy. And the finance ministers of eight Central American countries are to meet in July to discuss the pros and cons. The seminar will take place in Panama, the only Latin country where the greenback is already the official currency. Panama is also the only Latin country where you can get a 30-year, fixed-rate mortgage.

Dollarization is even attracting support in Mexico, despite deep-rooted suspicion of the United States. A few weeks ago, Mexico's giant confederation of business groups urged President Ernesto Zedillo to support dollarization. He rejected the idea publicly, but some of his advisers privately have expressed interest.

Latin Americans already hold a majority of their savings in dollars, and in Argentina, Bolivia, Peru and Uruguay at least 70 percent of all banking assets and liabilities are now dollar-denominated.

Driving the policy debate is growing skepticism about the benefits of the flexible exchange rate schemes that Washington has been pushing in Latin America. In theory, flexible rates are supposed to make it easier for economies to adjust to external shocks like the Asian economic crisis. But even the Clinton administration's most devoted free marketeers recognize that it has not been working that way in practice. Too often, shocks have been amplified by flexible rates. Instead of containing the Asian crisis, a world of free-floating rates helped spread the contagion.

Treasury Secretary Rubin, in a carefully worded speech last week, conceded that after the recent financial typhoons, some countries may want to get off the floating casino. "Flexible rates generally allow more monetary policy independence and greater flexibility in response to

shocks," he said. "But countries with a history of extreme volatility understandably may show a preference for greater exchange rate stability."

Advocates argue that by removing exchange rate volatility and uncertainty, dollarization would encourage much more foreign lending, and much faster growth. Indeed, some argue that dollarization could open the way for a sustained boom in the hemisphere, like the boom that many expect in a single-currency Europe.

Dollarization would bind the U.S. economy more tightly to Latin America. U.S. problems would become their problems, and vice versa. To take one obvious example, the Fed could decide to tighten monetary policy because of inflationary pressures in the United States, forcing up interest rates in Latin America regardless of their needs or desires.

But Latin America is already buffeted by its links to the U.S. economy, without getting the benefits of dollarization. Ricardo Hausman, chief economist of the Inter-American Development Bank and one of the leading proponents of dollarization, notes that a change in U.S. interest rates of a single percentage point produces a nearly six-point swing in Mexican rates.

The Washington Post.

Yes to Kosovo, No to East Timor?

By José Ramos-Horta

NEW YORK — There has been a flurry of high-minded rhetoric from NATO leaders. British Prime Minister Tony Blair wrote in the April 19 International edition of Newsweek: "We need to enter a new millennium where decent nations know that they cannot get away with ethnic cleansing or repression their peoples with impunity. In this conflict we are fighting ... for a new internationalism where the brutal repression of whole ethnic groups will no longer be tolerated."

Mr. Blair was referring to Kosovo and Serbia, not to East Timor and Indonesia. Yet in East Timor, paramilitary groups organized and armed by the Indonesian military have killed scores of defenseless civilians in recent weeks.

It is no surprise that Mr. Blair does not direct such lofty proclamations at East Timor. His Labour government has granted more weapons export licenses to the Indonesian military than the previous Conservative government.

The NATO allies demand complete Serbian troop withdrawal from Kosovo and an international military presence. Britain refuses to demand an Indonesian troop withdrawal from East Timor (for which Portugal remains the administering authority) under international law despite the fact that the territory is illegally occupied. Indonesia invaded it in 1975 and annexed it in 1976, an act never recognized by the United Nations.

NATO's leaders threaten senior Serbian officials with a war crimes tribunal. For East Timor, where massacres and ethnic cleansing have been going on for 23 years, there are no suggestions of such a tribunal for Indonesia's military leaders, many of whom have received training in NATO countries. Indonesia receives mild rebukes and gets hundreds of millions of dollars in weaponry and billions of dollars in loans and grants.

East Timorese paramilitaries backed by the Indonesian military have recently intensified their killing and intimidation directed at those who support independence. This has continued despite the signing of a peace pact last week in the East Timor capital, Dili, in the presence of Indonesia's armed forces commander and Defense Minister General Wiranto.

Overall, the European Union has taken a mild approach. As the situation in East Timor continues to deteriorate and evidence mounts of the Indonesian military's direct complicity in the killings, additional steps are clearly necessary.

Most NATO leaders have merely expressed "concern." Some have called for "all sides" to cease hostile activities, though they know that the Indonesian military and its proxies are the aggressors. Senseless people, not responding to military attacks from pro-independence guerrillas and their activist supporters.

There are no UN resolutions supporting self-determination for the people of Kosovo. In the case of East Timor, the world community has recognized its right to self-determination on numerous occasions. Both the UN Security Council and the General Assembly have condemned the invasion of East Timor and demanded Indonesia's immediate withdrawal.

The overwhelming majority of East Timorese support independence. They are not calling on NATO to bomb Indonesia. They want NATO countries to cancel all military deliveries to and training and joint exercises with Indonesia, and expel Indonesian military attaches from the capitals of NATO countries.

NATO governments should also freeze all bilateral financial transfers to Jakarta, and pressure the World Bank and the IMF to do the same until Indonesian soldiers and police end their state terrorist activities in East Timor.

The writer, an East Timorese Nobel Peace Prize laureate, is vice president of the National Council of Timorese Resistance, an umbrella group of organizations that support independence. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Midwest Cyclone

NEW YORK — A destructive cyclone swept over Kirksville, Mo. Forty-nine bodies have been recovered from the ruins and identified, but the mayor of Kirksville, who is actively engaged himself on the work of rescue, believes that at least one hundred people perished, while the injured may run to about a thousand. The storm broke over Kirksville with tremendous fury, sweeping a path a quarter of a mile broad through the eastern portion of the town, 400 buildings being demolished. A heavy rain followed, accompanied by intense darkness, and the utmost confusion prevailed.

1924: No Melting Pot

WASHINGTON — The door leading towards a more amicable settlement of the Japanese immigration question is slightly ajar. Senator Reed has talked the

matter over with the President. He said the measure marks a new epoch on the immigrant policy, and continued: "We are no longer the haven of refuge for the oppressed of the whole world. We found we could not be, and now we have definitely abandoned that theory. America will cease to be the melting pot."

1949: Ruhr Authority

LONDON — The Western powers set up the authority, which will direct Germany's industrial Ruhr Valley in production for peace. The United States, France, Great Britain, Belgium, the Netherlands and Luxembourg signed an agreement for the International Ruhr Authority. The authority provides for a system of inspection, its object is to permit the Ruhr from again becoming an industrial war-making machine, as it was under Adolf Hitler and Kaiser Wilhelm.

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OPINION/LETTERS

Death of the Nation-State,
Birth of a Unified Europe

By Geneva Overholser

WASHINGTON — Given the savage war in the Balkans, it is a strange thing to say, but one remarkable change has emerged from the post-Cold War era, and that is a peaceful and unified Europe.

When the veteran journalist Elizabeth Pond makes this point in her new book, "The Rebirth of Europe," she is talking about the European Union, that assembly of nations which has joined in common cause in far more powerful ways than Americans realize. But she is talking, too, about the promise that this new Europe holds to counter the old patterns of ethnic hatred so dramatically symbolized today by Slobodan Milosevic.

"On the eve of the 21st century, a miracle occurred," she writes. "Europe was reborn."

Europe, continues the longtime Christian Science Monitor correspondent, "is pioneering a post-national, postmodern pooling of sovereignty that is supplanting the nation-state system of the past three centuries. Europe's transformation will challenge us economically and psychologically. The world's sole superpower is not yet prepared for the shock to come."

Like Ms. Pond, when I lived in Europe 20 years ago I found talk of a common European community one of those grand and fuzzy ideas that are endlessly debated yet come to little. Over ensuing years, Americans have held to this story line — that Europeans "can't get their act together," as Ms. Pond said in Washington recently. But they have done so, and dramatically.

After the Cold War, and after a decade and a half of "Euro-sclerosis," the old abstract notion of a European community began to look to a number of politicians like a real possibility.

In "one of the rare moments in history that is fluid, when we can affect what happens," leaders like former Chancellor Helmut Kohl of Germany decided to bring real change — "a qualitatively new method of organizing nations."

"The era of the nation-state is over in central Europe," Ms. Pond said at a Brookings Institution gathering. The new era is one of collective decisions, decisions by consensus. Not only economically, but in foreign policy, in judicial matters, European integration is proceeding

steadily, and the American media have largely missed the story.

The integration is difficult, of course. Americans have ooted the birth pangs, said Ms. Pond, while Europeans experience the birth. "Crisis has become a tool in European Union development," and outsiders tend to underestimate the change that has emerged from the crisis.

A particularly hopeful aspect of these developments in Europe is that the idea of getting accepted into its institutions is an immensely powerful force. The "disciplinary effect" of "a desire to join the club," the EU and NATO, is strong. To gain admittance, nations must have democratic elections, civilian control of the military and observance of human rights.

Already there is dramatic evidence that countries like Macedonia and Bulgaria "want to be civilized, European and trans-Atlantic, and the way you do it is to get rid of these ethnic hatreds."

Ms. Pond's view recalls remarks by President Bill Clinton to America's newspaper editors in San Francisco recently. "The real question today is not whether Kosovo will be part of Serbia. The real question is whether Kosovo and Serbia, and the other states in the region, will be part of the new Europe. The best solution for Kosovo, for Serbia, for Bosnia, Croatia, Macedonia and all the countries of southeast Europe is integration into a Europe in which sovereignty matters, but in which borders are becoming more and more open, and less important in a negative sense."

Europe's own attitude toward Kosovo has been a powerful thing to see, Ms. Pond said. "It's striking how in Europe, the last week in March, after less than a week of bombing, Kosovo ceased to be a tactical issue and became a moral issue," amid developing feelings that there must be "no more holocausts — that we as Europeans cannot tolerate this in Europe."

The enlargement of NATO, while admittedly controversial and problematic from the standpoint of its effect on Russia, has been "a positive shaper of political developments in central Europe," Ms. Pond said, strengthening the movement toward stabilization and multiethnic societies.

The Washington Post



LETTERS TO THE EDITOR

The Colorado Shooting

Regarding "Ban Handguns Now" (Editorial, April 27):

I wholeheartedly echo the sentiments expressed in this editorial. The next presidential election must be an opportunity for American politicians to take a stand on an issue that has been manipulated by interest groups for far too long. The statistics of gun use and availability in the United States are simply incomprehensible to so many of us in other countries, and even more incomprehensible is the complete failure to do anything about them.

I hope that, when the campaigning starts, the American people use their democratic power to effect painfully necessary change.

SUNIL AMRITH, Cambridge, England

Children brought up on vicious video games, violence on television and in films can readily visualize taking it one stage further for even greater kicks. And then you get the likes of the Littleton massacre. How much more carnage do we have to witness before responsible adults see this cause and effect relationship?

PETER B. MARTIN, Valpiedra, France

The fact that one of the teenage killers regularly used the Internet is one more reason to restrict what may appear there. No sensible

person should consider freedom of speech at risk if guides to bomb-making and other such topics were banned.

JOHN H. TURNER, Amsterdam

I find it a disgrace that your reports did not even raise a simple, terrible question in the first place: Why did the SWAT Ramboes let four hours pass before deigning to intervene in this nightmare? Why was the emergency 911 number unreachable from this bloody place? Why are we paying taxes for such ineptitude?

BERNARD COHEN, Castillon Savès, France

What happened to the mythology of SWAT teams that are trained and paid to take risks to save people in danger? The similarities to Somalia, Bosnia and Kosovo are striking. As the French general Philippe Morillon said, U.S. armed forces train soldiers who kill but never risk dying.

ERIC FENSTER, Montreal, France

Regarding "In America's New West, the Violence Is Real" (Meanwhile, April 27) by Patricia Nelson Limerick:

Ms. Limerick's observations on the violent history of the American West, substantiating as they do H. Rap Brown's remark that violence is "as American as cherry pie," prompt me to reflect that the United States labors under

the legacy of two original sins: slavery and genocide. Perhaps it is because of its need to continue expiating these sins that, in its foreign policy, the country feels so often tempted to assume the role of liberator of the enslaved and protector of endangered peoples.

LEO PRADO, Madrid

Not Hooliganism

In your story "A New Dimension in Soccer Violence" (April 27), the Hillsborough Stadium disaster in Sheffield, England, was described as beginning "after hooligans started a panic."

Survivors and the bereaved have spent 10 years fighting this kind of lazy reporting. As the report of the inquiry by Lord Justice Taylor established, the disaster was caused when the police opened a gate they should not have. Fans were then misdirected into two small pens that were already full. The situation was exacerbated when the police refused to open gates at the front of the pens.

The report said quite explicitly that hooliganism had nothing to do with the disaster. This is not a matter of interpretation but is established fact, and for your paper to perpetuate such a pernicious myth is deeply troubling when you enjoy such an enviable reputation for faithful and accurate journalism.

CHRIS MAUME, London

In Berlin, Being Haunted
By Ghosts of the Holocaust

By Stephen Greenblatt

BERLIN — A few years ago in Berlin I picked up an innocuous-looking pamphlet marked "Bus Stop" and threw it on the passenger seat of my rental car, along with a handful of similar brochures.

Stuck in a traffic jam a few days later, I began to leaf through the bus schedule's departure and arrival times, with the thought that I

MEANWHILE

might find a more convenient or at least less stressful way to get across town. But I could not find my destination listed, and the more I looked at the schedule, the more peculiar it seemed.

Some routes were local to the Wannsee, for example, the city's loveliest lake, or to the town of Oranienburg, a few kilometers to the north, but others were to cities at some distance from Berlin, such as Weimar, Ravensbrück and Dachau, and still others crossed national borders, heading for destinations in Lithuania, Hungary, the Czech Republic, Poland, France.

I began to get a funny feeling about this bus schedule, a feeling that many visitors to Germany, and certainly Jewish visitors, at some time or other experience. It is the sensation of being haunted.

In the neighborhood where I am staying I get it every time I walk through the long tunnel that leads to the Grünwald S-Bahn station: a queasiness that came over me even before I learned that many of the 55,000 Berlin Jews who were killed in concentration camps began their journey from this spot.

Back in my apartment I looked more carefully at the list of destinations and saw that the dozens of detailed arrivals and departures included Babi Yar, Bergen-Belsen, Treblinka, Majdanek, Auschwitz. The small print below each entry did not include further ticketing details but rather information on the crimes committed by the Nazis at these sites.

Bus Stop was not the workaday timetable I had taken it to be; it was a provocative, a reminder, a memorial. It was, it turns out, a failed proposal, passed over by the commission responsible for judging the entries in the international competition for the Holocaust Memorial.

For more than a decade, Germans have been planning, revising and debating the construction of a Holocaust memorial at the center of their new capital.

The issue is not, as you might think, a reluctance to commemorate the Holocaust. Though most traces of the past have been covered over in Berlin, many Germans seem committed to acknowledging repeatedly, volubly, at times even obsessively the crimes of the Third Reich.

For all its cosmopolitan energy, Berlin sometimes seems one huge, eerie memorial, from the museum west of the city in the Wannsee villa, where the Final Solution was formally planned, to the aptly named Topographie des Terrors in the east, where the Gestapo had its headquarters.

On the way to the opera, you see the empty shelves that mark the site where the books were burned in 1933; on the way to the boutiques on the Sophienstrasse, you pass the plaque commemorating the Jewish old-age home that the SS turned into a deportation center; on the way to the Witzschplatz Market, you see a sign recalling the Nazi regulations forbidding Jews from buying fresh eggs and milk.

There are plenty of costly exceptions in Germany, of course, but no society has more thoroughly and systematically repudiated its past and sought to remember its victims.

This self-definition has made the Berlin Holocaust Memorial seem at once so important and so impossible to build. It has become apparent that no design will ever prove adequate to the immense symbolic weight it must carry.

One day last week, near the Brandenburg Gate, I walked past the site of the proposed memorial, a huge empty field of mud. Perhaps the best course at this point would be to leave this site empty, to abandon it to weeds.

All it would need then, as a German acquaintance of mine suggested, is a simple sign noting that the German people had tried to create an adequate memorial and had failed.

The writer, professor of literature at Harvard, is general editor of "The Norton Shakespeare." He contributed this comment to The New York Times.

BOOKS

THE MITT MAN

By Mel Taylor, 372 pages, \$24. William Morrow.

Reviewed by Richard Bernstein

THE time is pre-World War II in America, and the setting of "The Mitt Man," Mel Taylor's combustible first novel, is the racial frontier of Southern life. A smart grifter known as King Fish, who lives on the treacherously jazzy margins of New Orleans black society, gets caught trying to pick the pocket of an outsize white racist preacher named Malcolm Cage. While pointing his stacked-barrel dexterity at him, Cage sees the spark of genius in King Fish and decides to turn him into a preacher.

"You're different, ain't you?" is the way Cage expresses his conviction about the man who just tried to rob him. King Fish "ain't like no" black man "I ever met," Cage tells him. "Shows in your eyes."

So begins Taylor's raw and rowdy tale of corrupted ambition and racial tragedy, which stretches from Baptist revival meetings to the malignant interior of a Southern chain gang. "The Mitt Man" is a strong debut by a writer of rough-edged power who, according to the publisher's publicity notes, spent a decade or so in prison himself and won a long battle against cocaine addiction before turning to fiction.

"The Mitt Man" is part "Cool Hand Luke," part "Elmer Gantry," part "Invisible Man," with a dash of "Midnight Cowboy" for good measure. As an artistic whole, it is marred by a mauling ending and an occasional loss of narrative control. But overall, "The Mitt Man" — the term refers to a con artist who exploits the religious fervor of his dupes — is a fine, pulsating story whose roots go deep into the violent, primordial American racial carapace.

Two figures dominate the action of

Taylor's book. One is King Fish, who is already in his late thirties when we meet him at the Bucket-of-Blood, a seedy black club on the outskirts of New Orleans. King Fish is "a true 'sickster,' a skilled pickpocket and cardsharp" who uses Scripture, in partnership with his lady friends, to disarm his victims and gain a kind of racial advantage.

"In a small twisted way," Taylor writes, King Fish's scams "struck a blow for the colored race, proved colored folks were smart after all." When King Fish is set up as a preacher by his victim-turned-benefactor, Malcolm Cage, he sees the situation as an opportunity to continue the hustle. King Fish "believed this crazy cracker could show him the way to big money."

Taylor's other main figure (along with a large and vivid cast of minor ones) is Jimmie Lamar, whose path crosses that of King Fish's in prison, where he learns the finer arts of card-sharping and other swindles from the master. Jimmie is a very different character from King Fish. He is from Ohio. He was a football star in high school and college. He goes to New York to make his fortune, but there he is swept up into a world of easy sex, nightclubs and street hustling not all that different from the older King Fish's down South.

When an act of impetuous vengeance brings the career of King Fish to an end, he passes the torch to Jimmie, whom he instructs in the mitt man swindle. But Jimmie, who begins this new career with the necessary cynicism, becomes trapped in a complex psychological web of greed, guilt and creeping religious conviction. He ends up in a corrupt muddle reminiscent of the disillusioned visions of Sinclair Lewis or Theodore Dreiser.

Two other related themes haunt Taylor's boisterous story. "The Mitt Man" is saturated with the spiritual and psychological calculus of race. Almost all of Taylor's characters are lined up

along the spectrum of racial attitudes and actions. Cage is a patronizing sort of racist who seeks to return black society to a kind of benevolent plantation, complete with segregated forms of spiritual solace. But he changes, largely under the influence of his wife, Lorene, who grew up on a real plantation and understands, in advance of her time, the nature and dimensions of the South's moral blindness.

At the heart of the tragedy of "The Mitt Man" is the undying racial unfairness of American life, which makes for an interesting paradox: Both King Fish and Jimmie Lamar are petty crooks, but both run afoul of the law for actions taken outside the boundaries of their usual grifters' lives.

The other theme is sexual. Taylor gives play to several full-blooded female characters in "The Mitt Man" who play parallel roles in the lives of their violent, impetuous men. The women position themselves along the same cynical starting line as the men. Jimmie Lamar is introduced to the bawdy by a woman named Masaya, who is already a seasoned pro when they meet.

But the women are quick to arrive at a point of moral reawakening that turns out to be impossible for their men. The result for the women is either redemption or loss. Whatever the result, the divide that separates them from their men in this novel is a kind of parallel version of the yawning racial gap that separates the men from the American promise.

"Ain't but two kinda people in the world," King Fish tells Jimmie Lamar in prison. "The ones that gives and the ones that takes, and know'n what ya gonna be is the difference between bein' a player or suckin'." Taylor's book gives a full understanding of that attitude, but it is also a tumultuous, profane fable on why it is inadequate as a guide to life.

New York Times Service

BRIDGE

By Alan Truscott

HERE is a trick question: Is it possible to win a bridge tie without leaving your home and without touching a computer? Yes, but it may take a long time. If you enter monthly for the Master Solvers competition, which has been an institution in The Bridge World magazine for more than half a century, you can become a champion at the end of the year.

The 1998 champion, in a very large field, was Gary Powell of Austin, Texas. His bidding of the diagrammed deal in a duplicate game in his hometown did not hit the target, but his play was remarkable.

At another form of scoring

he would probably have reached the near-lay-down seven-club contract. But at match-points he headed for six no-trump, judging that he would outscore other pairs reaching six clubs. He won the diamond lead in his hand

and cashed all dummy's clubs, noting the discards. East threw four hearts, signaling loudly, and West threw a spade, a heart, a diamond, a spade and his remaining heart. The heart queen was led from dummy, covered by the king and won with the ace. After West threw a diamond the ending is shown at left.

Powell had a good idea of the distribution, and he knew that he could make his slam by leading to the diamond king and continuing with the suit to endplay West. Instead, hungry for a match-point overtrick, he proceeded to make a play that was both remarkable and risky. Judging that the spade queen was very probably on his left, he led the spade jack. I do not believe it, you do not believe it and West did not

believe it. Sure that his partner must have a top spade, West played low and Powell had scored an overtrick. Oooof.

NORTH
♠ 8 4
♥ Q
♦ K 9 5 2
♣ A K 8 7 6 4

WEST (D)
♠ Q 10 7 3 2
♥ Q 10 4
♦ J 10 6 4
♣ J

EAST
♠ 8 5 3
♥ K J 7 6 5 3
♦ Q 7
♣ 10 5

SOUTH
♠ A K J 9
♥ Q 5 3
♦ A 3
♣ K 9 3 2

Both sides were vulnerable. The bidding:
North: 1♣, 2♥, 3♥, 4NT.
West: Pass, 3♣, Pass.
East: Pass, 4NT, 5NT.
South: Pass, 6NT.

West led the diamond jack.

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TribTech

Creator of Nintendo, a Hero to Young, Resists Lure of Violence

By Sharon R. King
New York Times Service

SAN JOSE, California — Shigeru Miyamoto can hardly walk through the streets of this city unnoticed. Entering a restaurant here last month with a group of other executives, he was immediately recognized by a waitress and asked for his autograph, one of 50 he would give that day.

Mr. Miyamoto, 46, remains surprised by his American celebrity. Back home at Nintendo's headquarters in Kyoto, Japan, he enjoys greater anonymity. "They do not ask me for my autograph," he says.

Are you never 40 and unfamiliar with Mr. Miyamoto? Ask your children.

Officially, Mr. Miyamoto is general manager of entertainment analysis and development at Nintendo Co., the \$4.5 billion Japanese giant, whose U.S. offices are in Redmond, Washington.

Unofficially, to most video-game software developers and aficionados, he is a deity.

"He's the god of gaming," said Jennifer Pahlka, director of the Game Developers Conference, an industry trade show, which gave Mr. Miyamoto its first lifetime achievement award in March, the occasion of his visit to San Jose.

More specifically, he is the creator of more than 60 Nintendo game titles that have brought the company billions in sales. During his 22-year tenure with the company, which began around the turn of the century as a maker of playing cards, he has almost single-handedly made Nintendo the largest seller of video games in the world.

His games, like the Zelda series, Super Mario Brothers and Donkey Kong, are known as much for their complexity as for their artistry. In his vivid, three-dimensional settings, ocean waves swell and background sunsets unfurl, making other developers' scenes appear static.

By Japanese corporate standards, Mr. Miyamoto is a nonconformist. His hair falls below his shirt collar, and he often works in a sports jacket, jeans, comfortable suede shoes and a Mickey Mouse tie.

HE SAYS he likes to play the guitar and keeps a banjo near his desk. The desk, he adds, is piled with video games and other toys, in a space shared only by a low perimeter from the rest of his design team. He has no thoughts of ever working for another company.

In an industry where sales growth is traditionally driven by new consoles, the popularity of his games has helped Nintendo, which has not introduced a new console since 1996, remain the second-largest console maker, behind Sony Corp.

For now, Nintendo can afford to watch its rivals slug it out. Last year, half of the 10 best-selling video games were Nintendo's. Two were based on characters initially developed by Mr. Miyamoto, including the Legend of Zelda, Ocarina of Time, which was released in late November.

The game, a prequel to a Zelda title released in

1997, has already sold 2.6 million copies in the United States. Sales of 100,000 are considered a success by the industry.

Mr. Miyamoto's presence at the game developers conference, however, signals that Nintendo is not relaxing. Lacking the buzz a new game system creates, Nintendo is using Mr. Miyamoto and his designs, both regularly featured in video-game players' magazines, to its advantage. He also helps lure the best and brightest game developers to put their talents at Nintendo's disposal.

While Mr. Miyamoto, who has been hitting home runs for almost 20 years, shows no signs of stopping or changing his style, Nintendo is looking to other developers for the faster-paced games necessary in counter rivals.

"We do have Miyamoto, but we do need some of those edgier games to fill out the library," said Jim Merrick, a top executive at Nintendo of America.

Mr. Miyamoto regards game design as an artistic endeavor in which each project takes years, not as a way of delivering cheap thrills.

And though many video-game players scream for gory shoot-em ups, crashing meteors and body-slammings, Mr. Miyamoto re-

fuses to respond to the easy lure of violence.

GROWING UP in Kyoto as one of three children of a homemaker and an English teacher (Mr. Miyamoto understands English but prefers to speak in Japanese), he loved to sketch cartoon characters and wander about. He still likes visiting new places, buying a map at a local bookstore and then exploring. And he cannot pass by a museum without having a look, even on business trips.

After graduating with a degree in industrial design from the Kanazawa Municipal College of Industrial Arts and Crafts, he was hired in 1977 as Nintendo's first staff artist, and initially designed posters and arcade games.

In 1981, he created the Donkey Kong arcade game, and later the video game, and in 1985, the first Super Mario game, featuring an Italian plumber with a droopy mustache. That character alone has generated more than \$5 billion in sales.

Despite his huge success, he shows no sign of losing his humble perspective. Asked by a parent at the developers conference to offer video-game advice to his 11-year-old son, he signs this message instead: "Play outside on sunny days."



Shigeru Miyamoto at work on a Super Mario game: "I'm so glad I work for a toymaker."

Reality vs. Fantasy: How Video Games Put Killing Into Play

By Denise Caruso
New York Times Service

NEW YORK — By producing increasingly violent media, the entertainment industry has for decades engaged in a lucrative dance with the devil.

Over the years, parents and consumer groups have continued to sound alarms about the effects that violent films, television and ever-more-realistic video games are having on their children and society at large.

The response — from what may be the most influential industry in the world — has consistently been a kind of indignant shock that anyone would think a silly old movie or game could have a measurable effect on anyone.

"Kids can tell the difference between fantasy and reality," these executives have repeatedly asserted. "Why can't you?"

But a growing body of evidence suggests it is the producers who may be having a hard time telling the difference between their apologetic fantasy and grim reality.

The evidence, say those who study violence in culture, is unassailable: Hundreds of studies in recent decades have revealed a direct correlation between exposure to media violence — now including video games — and increased aggression.

This is not because people cannot distinguish between reality and fantasy, but because ultraviolent media systematically employ the psychological techniques of desensitization, conditioning and vicarious learning.

ALT / Commentary

Dave Grossman, a former U.S. Army officer and professor at West Point and the University of Arkansas, says these are the same techniques that were used to great effect during the Vietnam War to increase the "firing rate" — that is, the percentage of soldiers who would actually fire a weapon during an encounter — from the 15 percent to 20 percent range in World War II to as much as 95 percent in Vietnam.

Mr. Grossman has written "On Killing: The Psychological Cost of Learning to Kill in War and Society" (Little, Brown, 1995), in which he discusses how conditioning techniques were used to teach Vietnam-bound soldiers to kill automatically in battle encounters, yet respect authority and make split-second distinctions between friends and enemies.

The difference, he says, is that today these same techniques are not tempered by such respect or distinctions. What is worse, he adds, they teach us to associate violence with pleasure.

America's adolescents spend countless hours watching action or horror movies — the exquisitely detailed suffering and killing of human beings — on television and in movie theaters, places we associate with entertainment, pleasure, favorite foods and the intimacy of dating.

Interactive video games, Mr. Grossman asserts, are even more directly connected to behavior. Addictive, increasingly "hyperreal" in their effects and long since shed of the goofy

monsters that were targets in the old days, contemporary video games often are what he calls "operant conditioning firing ranges with pop-up targets and immediate feedback, just like those used to train soldiers in modern armies."

AS A RESULT, Mr. Grossman wrote: "We are reaching that stage of desensitization at which the inflicting of pain and suffering has become a source of entertainment, vicarious pleasure rather than revulsion. We are learning to kill, and we are learning to like it."

The two boys apparently responsible for the massacre in Littleton, Colorado, last week were, among many other things, accomplished players of the ultraviolent video game Doom. And Michael Carneal, the 14-year-old boy who opened fire on a prayer group in a Paducah, Kentucky, school foyer in 1997, was also known to be a video-game expert.

Michael Carneal had never fired a pistol before stealing the gun he used that day. But in the ensuing melee, he fired eight shots, hit eight people and killed three of them.

The average law enforcement officer in the United States, at a distance of seven yards (6.4 meters), hits fewer than one in five shots. Mr. Grossman said in an interview in the current issue of *Adbusters* magazine.

"When Michael Carneal was shooting, he

fired one shot at each kid," Mr. Grossman said. "He simply fired one shot at everything that popped up on his screen."

Mr. Grossman's sentiments are echoed by Joel Federman, co-director of the Center for Communication and Social Policy at the University of California at Santa Barbara. In his former job as the research director of Mediascope, a nonprofit policy organization that promotes media responsibility, he published an annotated bibliography called "The Social Effects of Interactive Electronic Games."

Although he says that only seven or eight studies specifically focused on aggression in interactive games, the majority of them showed that aggressive games increased the likelihood of aggression just as certainly as violent television did. "In games," he said in an interview, "aggressive behavior is not only seen as appropriate, but you're rewarded for doing it well."

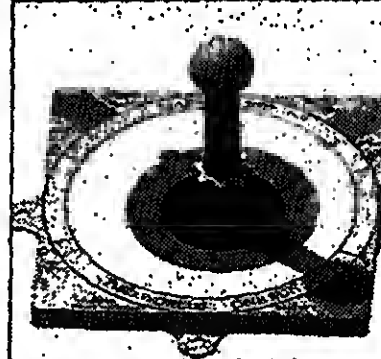
Mr. Federman drew a parallel between producers of violent media and the tobacco industry, which denied causality in the face of irrefutable evidence of a direct correlation between smoking and cancer.

A study proving that TV or video games cause violence would mean that at least one study participant would be inspired to commit murder — clearly an untenable ethical situation for the entertainment industry.

"Same as the tobacco industry, the evidence is there," Mr. Federman said.

Denise Caruso writes about electronic commerce for *The New York Times*.

BRIEFLY



This sundial of anodized aluminum will be placed aboard a spacecraft due to land on Mars in 2002.

This premium," said Steve Weinstein, an analyst at Pacific Crest Securities Inc., who has a "strong buy" rating on eBay.

EBay is expanding as competition in the on-line auction business intensifies. Amazon.com Inc., the largest Internet retailer, recently added on-line auctions to its service.

"It's fascinating that a small upstart like eBay has the market capital" to buy "an old established name" in auctions, said Lauren Cooks Levitan, an analyst at BankBoston Robertsons Stephens Inc. (Bloomberg)

JOINING INTERNET2 TEAM: Microsoft Corp. said it was joining the research coalition that is leading the development of the next-generation Internet — a highly reliable network that can move data at speeds 1,000 times faster than the fastest communications lines used by corporations and universities today.

The program, known as Internet2, is backed by 150 universities and about 15 corporations, mostly telecommunications

and network equipment makers, including AT&T Corp., 3Com Corp. and Cisco Systems Inc. Microsoft and International Business Machines Corp. are the software and hardware producers among Internet2's corporate members.

Microsoft's entry is expected to prompt other software companies to join, said Doug Van Houweling, president of the University Corporation for Advanced Internet Development, which oversees Internet2 projects.

Microsoft, which will contribute more than \$1 million a year in cash, software and services, says its growing research group has been increasingly working on software and services for high-speed networks, so that joining Internet2 is a natural step. Because Microsoft's software is used on most personal computers, it could bring the next-generation Internet to millions of desktops quickly, perhaps within five years.

"The coalition is a joint research effort that seeks to stumble upon and create the next big applications on the Internet," said Rick Rashid, vice president of Microsoft's research division. "We can help see a lot of that technology realized much more rapidly and incorporated into our products in the long run." (NYT)

DURACELL MAKERS SUE: The battery maker Rayovac Corp. has filed suit alleging that Gillette Co.'s Duracell has infringed two of Rayovac's patents for zinc air battery technology used in hearing aids.

The suit, filed Monday in U.S. District Court, asks for an injunction against the sale of Duracell zinc air batteries that infringe the Rayovac patents and seeks damages.

Rayovac is the third largest U.S. manufacturer of alkaline batteries. Its hearing aid batteries hold a 58 percent market share. (Reuters)

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TECHNOLOGY INDEX

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Pacific Exchange Tech	530.95		+18.20
S&P Tech Composite	1,370.27		+17.30
Europe			
Morgan Stanley Eurotec	654.80		+7.26
Asia			
Topix Electric	1,956.76		+26.85

Source: Morgan Stanley, Bloomberg News

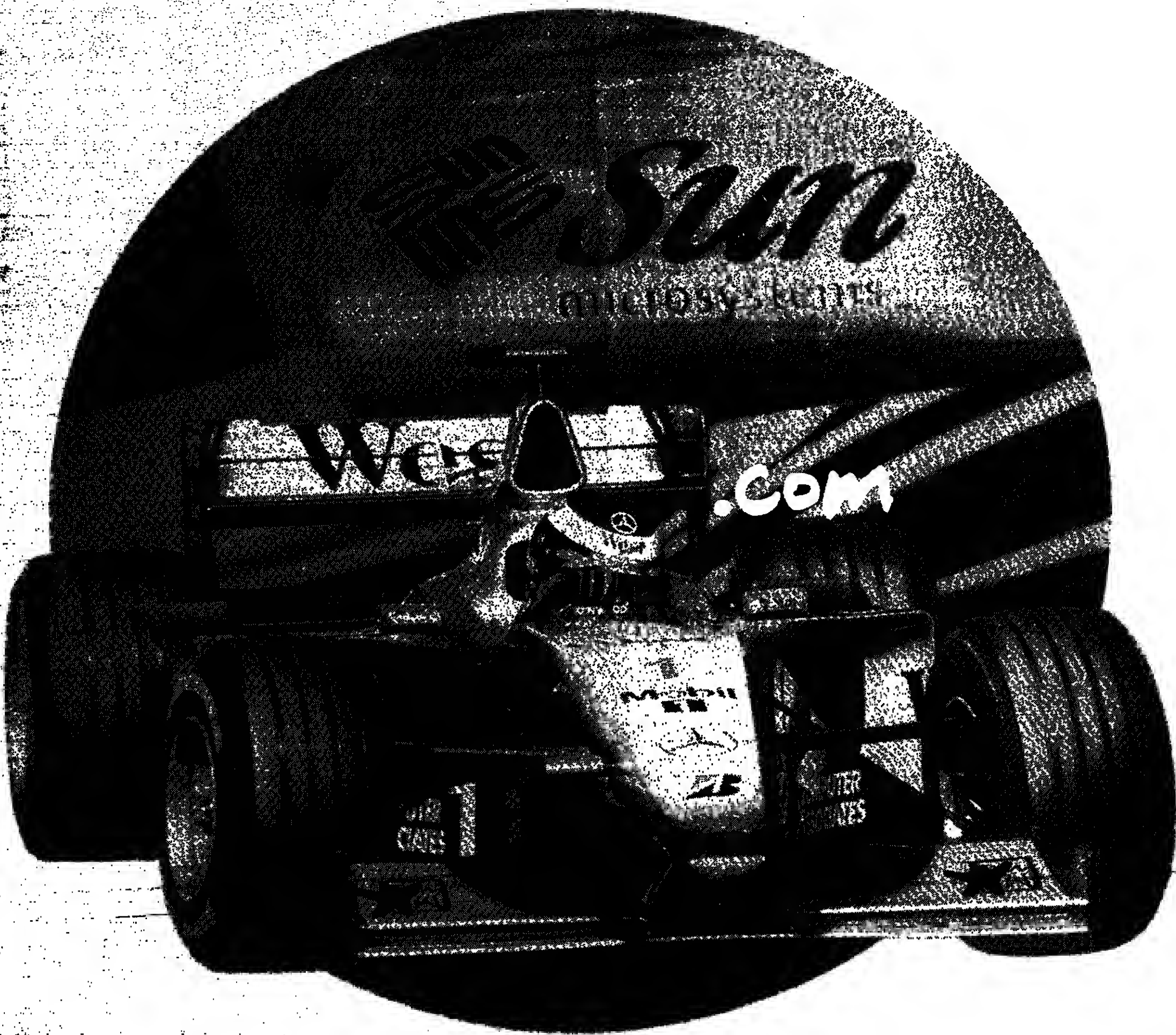
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INTERNATIONAL

Iran, Libya and Sudan See Softer U.S. Stance

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton has eased U.S. sanctions policy to allow food and medical items to be sold to Iran, Libya and Sudan, officials said Wednesday.

The move represents a softening of policy toward three countries the United States has long viewed as supporters of terrorism and exporters of extremism. In August, it bombed targets in Sudan suspected of having connections to the terrorist Osama bin Laden.

In the case of Libya, which recently saw an end to United Nations-sponsored sanctions, the U.S. move constitutes another step toward a normalization of relations. The new policy would also exempt food, medical items and health equipment from future sanctions.

Sanctions mandated by Congress against Iraq, North Korea and Cuba, three other longtime foes, are unaffected by the move.

The new policy appears to reflect an increasingly pervasive view in the administration that sanctions are a blunt tool that Washington has been too quick to use to express its displeasure.

Undersecretary of State Stuart Eizenstat, who has made such criticisms, said Wednesday that denying food and medicine hurts innocent people, damages the U.S. image, strains relations with friendly countries, deprives U.S. companies of sales, and has little impact on targeted governments or leaders.

Under the new policy, sales of food

and medical supplies would be approved if they reflect prevailing market prices, are conducted by nongovernmental organizations and receive U.S. funding, Mr. Eizenstat said.

Items considered "human necessities" would be exempted from future sanctions and embargoes unless the government in question is in an armed conflict with the United States and is diverting the supplies to its military.

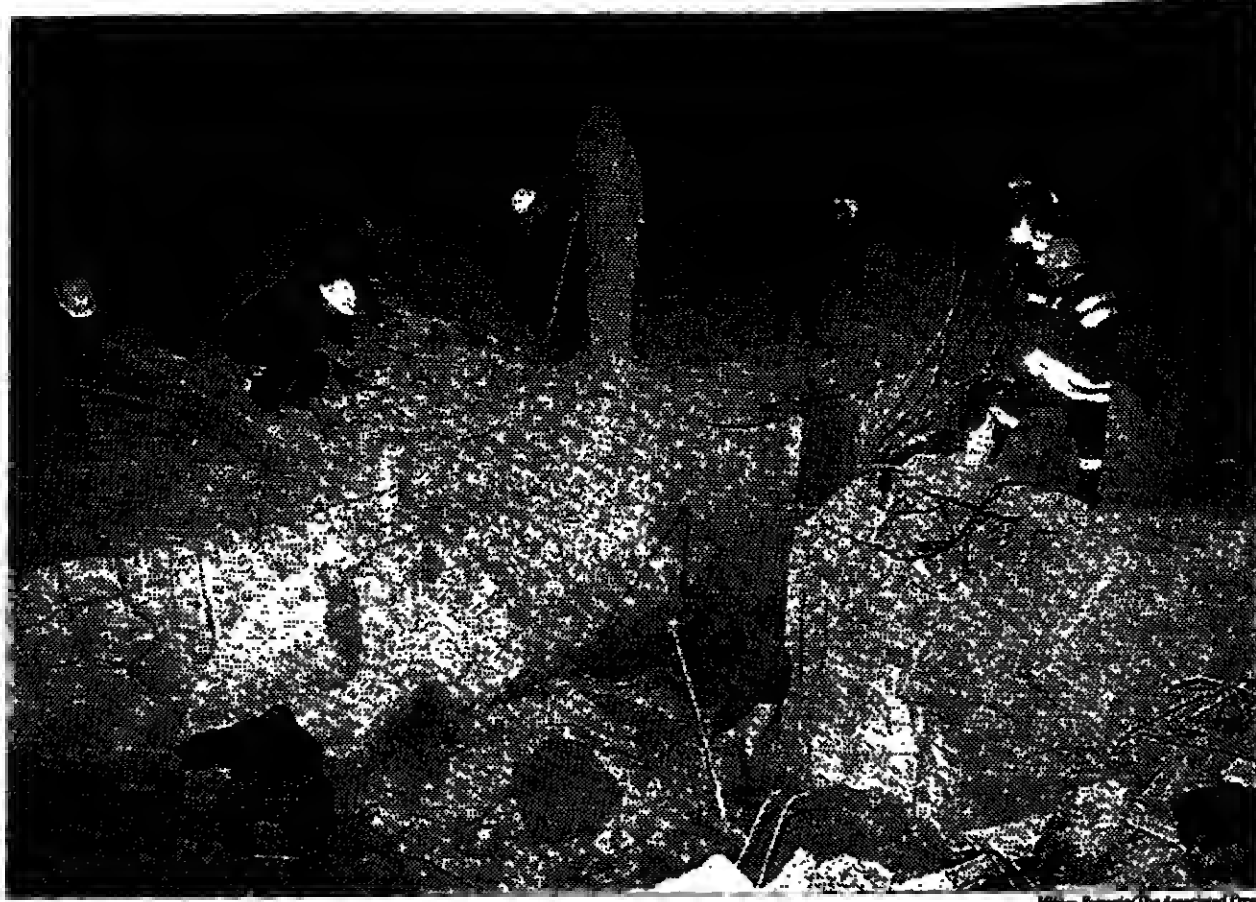
The action could permit sales of more than \$500 million in grain and sugar to Iran. Amid signs of moderation by the government of President Mohammed Khatami, several members of Congress have urged that a one-time exemption be made to permit the sale.

Mr. Eizenstat pointed out that the United States has already shipped thousands of tons of food to North Korea to alleviate a devastating famine, and that certain sales of medicine and medical supplies are now permitted to Cuba.

Washington also supports a UN program to allow Iraq to sell oil if proceeds are used for humanitarian purposes.

UN sanctions against Libya were suspended in early April after Tripoli turned over two Libyan suspects in the 1983 bombing of a TWA jet over Lockerbie, Scotland, for trial in the Netherlands.

Some U.S. sanctions remain in place, however, blocking Libyan access to some technologies, including oil-field equipment. European oil companies have continued to do business in Libya. Mr. Eizenstat also said a decision was nearing on Mobil Corp.'s request for an oil agreement with Iran.



Emergency crews combing the ruins of civilian buildings in Surdulica that were hit in an allied bombing mistake.

KOSOVO: Wayward NATO Bomb Kills 20 Civilians in Serbia

Continued from Page 1

The command here did not say which country's forces had carried out the attack. As the bombing continued into its 36th day Wednesday, General Marani said that NATO planes had bombed anti-aircraft weapons sites, fuel storage areas, and roads and railways throughout Serbia. The allies also tried to keep up pressure on the Serbian police and military forces carrying out attacks against ethnic Albanian civilians and soldiers of the rebel Kosovo Liberation Army inside the province, striking a multiple-rocket-launcher system, armored vehicles, storage areas, and a police command post, General Marani said.

On Tuesday, the top allied commander, General Wesley Clark, said at a news briefing here that five weeks of bombing and bad weather had not prevented the Serbian forces from reinforcing and conducting sweeps that have driven hundreds of thousands of ethnic Albanian civilians from their homes.

The command reported Wednesday that, despite the bombing, Serb forces were continuing attacks against the rebels in three general areas around the province, southwest of Podujevo north of the provincial capital of Pristina, east of Glogobica near the border with Macedonia, and northeast of the town of Surva Reka, near Prizren in the south.

Targets Hit Around Belgrade

The NATO admission of a bombing

mistake came as the alliance blasted targets around Belgrade and pushed ahead with its round-the-clock air campaign against Yugoslavia, according to wire dispatches.

In Surdulica, there was little left of the bodies being pulled from the rubble of houses hit by the bomb. Sixteen corpses lay in the morgue, and officials said they expected to find more in the debris.

A huge crater was all that remained of one house, where residents said 16 people, mainly children and the elderly, had been sheltering in a basement. The roofs were damaged on surrounding buildings, and all their windows had shattered.

A group of furious residents chanting "Fascists!" condemned the North Atlantic Treaty Organization for its raid on the town. "One-third of the town was totally destroyed," said the mayor of Surdulica, Miroslav Stojkovic.

Reporters were shown two areas where there was widespread damage. A doctor at the local hospital said 11 people had been injured, two of them seriously.

Military and industrial facilities in the little town near the Bulgarian border had already been targeted twice before in NATO's air campaign. Officials said a barracks and an asbestos factory had been hit in those attacks.

Local officials said there was no military target near the suburb that was hit, which lay on a hillside on the outskirts of the town.

"We would like to see how NATO will explain this," a man said. "They will just say we missed," another said. "No, they won't even say that," the first rejoined.

NATO said the attack had destroyed an army training center.

Britain said it regretted civilian casualties but added that it was not possible for NATO to eliminate such risks. Yugoslavia says about 1,000 civilians, including many children, have been killed since NATO began its air attacks March 24.

The Yugoslav information minister, Milan Komnenic, said the attack on Surdulica was a crime aimed at undermining efforts to bring about a peaceful solution involving the United Nations, something he said NATO opposed. But he said the tragedy in Surdulica would not jeopardize what he said was Belgrade's commitment to a peaceful outcome.

The boom of anti-aircraft fire resounded through Belgrade on Tuesday night and Wednesday as NATO jets targeted southern districts of the capital in what the state-run Tanjug news agency described as "a massive onslaught."

Air-raid sirens wailed later Wednesday, signaling a possible new round of attacks.

Belgrade radio said seven missiles struck a military barracks in the Topcider residential district. Heavy smoke rose from both the Topcider and Kosutnjak suburbs following the explosions at about 1:15 A.M., the Beta press agency reported. (Reuters, AP, AFP)

DIPLOMACY: Dissenting Voice Silenced

Continued from Page 1

one says in Belgrade for telling the truth.

The maverick former opposition leader, who joined the government only in January, sounded a nationalistic tone after his dismissal and denied any rift.

"Maybe some people in the West believed that I could be the man of tomorrow with whom NATO could cooperate," he said. "No! NATO is the aggressor. We are victims of this blind revenge against a whole nation."

Agreement Close With Russia

William Draskovic, who was dismissed.

Deputy Secretary of State Stuart Eizenstat said Wednesday that the United States and its allies were close to agreement with Russia on the key issue of an international Kosovo peacekeeping force.

After meeting in Berlin with Mr. Annan, Mr. Talbot gave an upbeat assessment of his talks this week in Moscow, which he described as "very constructive and solution-oriented."

While acknowledging "some very real differences" between Russia and NATO, Mr. Talbot told reporters that "important areas of commonality" had raised hopes for a peace deal that would bring an end to the allies' bombing campaign in return for the withdrawal of Serbian forces from Kosovo and the repatriation of ethnic Albanian refugees.

But the biggest obstacle to a ceasefire, he said, remained Belgrade's continuing refusal to accept terms endorsed by the international community. Despite some hints that Mr. Milosevic may be ready to sue for peace, Mr. Talbot said, "We have not heard anything from Belgrade that suggests that Belgrade is yet prepared to move in that direction."

With NATO commanders vowing to increase the ferocity of air strikes as the bombing campaign enters its sixth week, the Russians have emerged as the focal point of Western appeals to exert greater diplomatic pressure on Yugoslavia.

The allies insist they will suspend air strikes only after Mr. Milosevic ceases all military operations, pulls his forces out of Kosovo, consents to an international military presence that would protect returning refugees and restores autonomy to the ethnic Albanian majority.

After discussing diplomatic strategy with Mr. Talbot and the chancellor of Germany, Gerhard Schröder, Mr. Annan flew to Moscow, where he plans to meet with Mr. Chernomyrdin, who was



Vuk Draskovic, who was dismissed.

named by President Boris Yeltsin as Russia's special envoy on Yugoslavia. Besides Mr. Annan, the foreign ministers of Greece and Canada, as well as the German defense minister, Rudolf Scharping, are visiting Moscow this week to explore the parameters of a peace settlement.

At a Berlin news conference, Mr. Annan displayed a cautious, even skeptical attitude toward prospects of an imminent breakthrough.

"The search for a political solution is a long, complex, drawn-out process," he said. "We are only at the early stages."

Even though pressure was building on his government to find a peaceful resolution in the wake of more civilian casualties caused by the air strikes, Mr. Schröder insisted that Germany would not break ranks with its allies.

At NATO's 50th anniversary summit meeting in Washington last weekend, the 19 allied leaders promised to accelerate the search for a resolution to the Kosovo crisis along both military and diplomatic tracks.

While vowing to escalate the bombing until Belgrade capitulates, the leaders also pledged full cooperation with Russia in the hope that Moscow's influence could help make Belgrade's leadership change its mind.

"We all agree that Russia must be part of the solution," said the British foreign secretary, Robin Cook.

"And we've made it clear we want Russia working alongside us in the international peacekeeping force, in the same way they are doing with NATO troops in Bosnia."

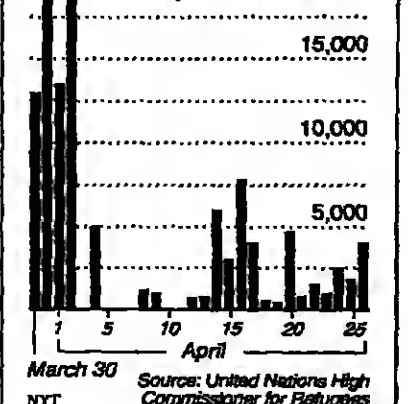
Mr. Talbot said while Russia had not yet declared its willingness to participate in a peacekeeping force, "they certainly haven't ruled that out."

CAMPES: Overcrowding Tests Resources and Refugees' Patience

Continued from Page 1

Macedonia's Refugees

In late March, as many as 45,000 refugees arrived in one day. In early April there were several days when no one came through because the Serbs closed the borders. Now the flow has resumed, adding to the total of more than 160,000 refugees already in Macedonia.



Source: United Nations High Commissioner for Refugees

The problem is not a shortage of tents but a lack of allowed space to put them. There are eight camps at present, and the Macedonian government has approved land for only one more—in Cegrene, 70 kilometers (45 miles) west of Skopje, the capital. This new settlement was supposed to be ready by Thursday, but there have been delays in construction.

"The Macedonians gave the job to a local contractor," said Roo Redmond, another spokesman for the refugee agency. "These guys put in an eight-hour day and then go home."

Places like Stankovic, at the foot of the lush green mountains northwest of Skopje, are overwhelmed. Nearly half of those residing in the camps are here in this one, living in an unsightly existence in the incongruity of a beautiful location.

Laundry is strung between virtually all the tents, though it is hard to tell whether the clothes have been hung out for washing or drying. While an April day in these mountains includes searing heat and bracing cold, all temperatures seem to arrive with rain.

Mud is attached to every shoe like plaster. "I would give anything to have a real bath," said Magrite Neziri, a teacher who said she was chased from her village by the Serbs on April 17. "I am grateful for the camps, but I do have complaints."

She had spent six hours waiting to use

one of the few telephones. The line went dead just before her turn came. "It should not be so hard to get to a telephone," she said.

But these are irritations, not perils. Disease is at bay. Medical care is available. No one is starving. This is not a camp of putrefying corpses like those sheltering the refugees from Rwanda after mass killings in 1994, or an assemblage of the starving as in Ethiopia 10 years before that.

Camp life is hard but hardly horrific. A society is taking shape here—a demonstration of both human flaws and fortitude.

A woman fashioned a broom out of a leafy branch to sweep the loose dirt off the hard dirt in front of her tent. Children without toys found playful uses for plastic bottles and carved hopscotch squares into the ground. Boys met girls and they made love, paying a fee to an entrepreneur who has turned his tent into a motel.

Several refugees who had volunteered to help the aid agencies have undertaken small businesses with donated goods. "They are hiding the best food, these rascals," complained Zvezdica Bela, a woman from Kacanik waiting in a bread line in the rain. "I have heard that things are being brought into this camp and we are not getting them."

Other volunteers described with chagrin what went on.

"Some of them steal boxes of chocolate, cheese, bananas and juice," said

U.S. House Votes to Block Funding for Ground Troops

Compiled by Our Staff From Dispatches

WASHINGTON — The House of Representatives voted Wednesday to block funding for the deployment of U.S. ground troops in the Balkan conflict unless President Bill Clinton first gains the approval of Congress.

Although congressional Republican leaders are enthusiastically planning to double Mr. Clinton's request for \$5 billion to finance the war, the House voted, 249 to 180, to bar funding for ground forces unless they are specifically authorized in advance by Congress.

Democrats suggested a veto was likely if the measure is enacted. The Senate has not voted on the legislation. It previously voted support for air strikes.

"Let's not put our young men and women," the House majority leader, Dick Armey, said, "in the position where they are on the ground under fire and the president is consulting with the Congress of the United States, after the fact, of their being in harm's way."

"Congress and the president together can make a commitment to those troops to define a mission and equip them to complete that mission with the highest possible degree of effectiveness with the lowest conceivable level of personal threat," the Texas Republican said.

In its first full debate since air strikes began against Yugoslavia, the House voted not only to restrict Mr. Clinton's ability to commit ground forces, but also on a grab-bag of related proposals designed to press the president to consult with Congress on the war.

"Many of us believe that we should have a congressional vote before sending in ground troops," said David Bonior of Michigan, the second-ranking Democrat in the House. "But this amendment ties the hands of our military commanders and could leave the born fighting nations and more than a million refugees and thousands of our own soldiers dangerously exposed."

Complicating the debate were two proposals by Tom Campbell, a California Republican, that sought to force Congress to make a stark choice between formally declaring war against Yugoslavia or withdrawing U.S. forces from the Balkans. Both proposals were expected to be rejected, but the full House was required to vote on them under provisions triggered by the 1973 War Powers Act.

Many Republicans have criticized Mr. Clinton's Balkan strategy on the basis that his administration had not planned sufficiently for contingencies in case air strikes do not force President Slobodan Milosevic of Yugoslavia to withdraw forces from Kosovo. (Reuters, AP)



Gane Brogi, a 20-year-old from Pec, "On yes, and blankets. These all can be sold or traded or given away. Some people stockpile these items, just to have them."

But the most sought-after thing is finding a way out of the camp, usually available only to those with relatives already in the country.

There are other ways to depart, though they can be costly for people who have fled their homes with few possessions. At least one Macedonian garbage crew charges \$80 for a ride out, one employee said.

The camp is many things—the smell of rotting orange peel, teenagers trying to play volleyball without a net, gray woolen blankets used to carpet a floor, 200 women washing clothes by taking turns among four faucets, a little boy who has stopped eating out of fear.

It is also a hothouse of hatred, the seeds of which have been carried in from Kosovo. Refugees tell their stories to each other, trading tragedies, cursing Serbs.

Hamit Begiri, a big, robust father of two, said he was taken captive by Serbian soldiers, and they made him and 30 other men build fortifications against NATO air raids. He escaped by bribing three of the guards with most of his life savings.

"Are Serbs good people?" he asked his 5-year-old son, Egzon.

The boy, confused by the leading question, said, "Yes."

"Who stole our money, burned our house and took our car?" the father asked impatiently.

"This time, Egzon was in time. 'The filthy Serbs,' he said.

"And what should you do if you meet a Serb like Slobodan Milosevic?"

"I will kill him," the boy said.

Camps Are 'Very, Very Tense'

The United Nations refugee agency said Wednesday that overcrowding in camps for Kosovar Albanians in Macedonia had become so extreme that refugees were "on the verge of rioting."

Reuters reported from Geneva.

"The people are really living in unbearable congestion. It's very, very tense, and it has to be defused very quickly," a refugee agency spokesman, Kris Janowski, told a news briefing, adding that the risk of disease outbreaks was also increasing.

5 Years After Apartheid, a 'Miracle' Travels a Bumpy Road

By Lynne Duke
Washington Post Service

JOHANNESBURG — Five years ago, South Africa needed a miracle. Centuries of white-minority domination were about to give way to majority rule in the first democratic election ever held here. But rivers of blood had flowed — and did not seem about to abate.

White extremists had tried to bomb South Africa back to a time when whites believed, as a general rule, they would rule "for a thousand years."

In the seething townships where the black majority had been confined under apartheid, militants battled one another as well as the police.

Nelson Mandela and other political leaders had crisscrossed the country desperately preaching peace and perseverance amid political violence that took more than 500 lives in the two months before the election and threatened to overshadow what years of struggle had won — the right to vote for national leaders, a right afforded the black majority for the first time.

Somehow, it happened. In April 1994, political violence receded, the historic election passed peacefully and South Africa became another country, like many others.

South Africans this week remembered their bright shining moment, when talk of "miracles" and a "rainbow nation" filled the airwaves and

the country shed its status as an international pariah.

But those heady days have largely faded. The government has been bogged down by the harsh realities of governing a fractious nation in transition.

Reforming a bureaucracy geared toward serving a favored few under apartheid has proved a steep climb. So has holding together the nation's disparate peoples, to say nothing of reversing a soaring crime rate and economic decline that have set in over the last five years.

So many new elements are at play in the perpetual debates about South African democracy that "what it's coming out of, and emerging to, gets lost," said Patricia Keefer, director for southern Africa of the Washington-based National Democratic Institute for International Affairs.

Of the new dispensation, she said, "I come from a perspective of saying it's a glass, half full. But it's only half full."

Ms. Keefer and other analysts say South Africa's democracy appears solid, based on viable institutions and laws that never existed before. Making democracy materially real in terms of jobs, houses, health care and education, however, remains the grand challenge.

Since 1994, South Africa has adopted a new constitution, guaranteeing human rights and protections unheard-of under apartheid.

Hundreds of race-based laws have been

stricken from the books. There is a new Parliament, a newly independent judiciary and numerous new watchdog agencies, not to mention new national symbols such as a flag and a national anthem.

In an effort to foster national harmony, the nation's Truth and Reconciliation Commission has compiled and written a history of the terrible days of apartheid.

That effort to heal — and to nurture an embryonic sense of nationhood — was helped immensely by the fact that the first democratically elected president, Mr. Mandela, now 80, had the moral authority of a man who was a political prisoner for 27 years but emerged with an intact capacity to forgive.

South Africa will return to the polls on June 2, in the first national election staged by a democratic government.

With 80 percent of eligible voters registered and more than 40 political parties competing, the election will be another step in consolidating the fledgling democracy.

"We will be confirming our commitment to democracy," Mr. Mandela told tens of thousands of well-wishers Tuesday at a Freedom Day rally and military parade in the rural southern town of Umhata.

"We will emerge stronger and more united. Despite our political differences, we are one people with one destiny, ready to speed up the changes we started in 1994."

Despite Mr. Mandela's message, his speech was interrupted by hecklers, and street violence broke out between supporters of the ruling African National Congress and those of a small opposition party, the United Democratic Movement, that is popular in the Umhata region.

Such violence stems from political intolerance, which remains high in South Africa, analysts say, supported by poll results. Democracy's penetration to the grass roots has been problematic.

Many people, especially the rural, the very poor and the illiterate — all of whom account for large portions of the population — have little concept of what their local government is doing and their ability to have an impact on it, according to surveys conducted by the Washington-based Joint Center for Political and Economic Studies.

Voting has been ingrained because of the intense voter education campaigns, but beyond marking a ballot, "participation almost becomes a luxury," said Eve Thompson, the center's director of Africa programs.

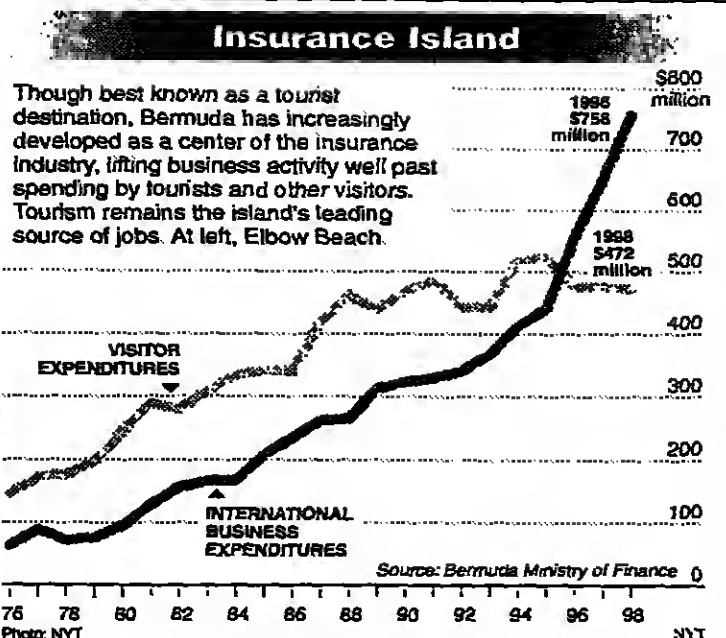
Other brakes on political participation include disaffection over crime, which has sparked vigilante actions.

Joblessness verges on 40 percent, with young blacks hit the hardest.

South Africa's economy technically fell into recession at the end of last year, with two quarters of declining output. The 1999 forecast is for less than 1 percent growth.

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In Bermuda, Insurance Picks Up Tourism's Slack

By Joseph B. Treaster
New York Times Service

HAMILTON, Bermuda — The construction project in the middle of town tells the tale. The grand old Bermudian Hotel and its luxuriant gardens have been leveled, in their place are rising two big insurance buildings.

With relentless competition and changing tastes, Bermuda's tourist business has been fading. But with no corporate taxes and light regulation, the island of pastel bungalows and perpetual spring has quietly developed a booming insurance business, making Bermuda the third leg — with New York and London — in the world's central insurance triangle.

In the low-lying, vaguely dated village of Hamilton, underwriters, actuaries and brokers are the new princes. The resident lawyers and accountants depend heavily on insurance business, and the construction trades have seldom been busier. Not far from the Bermudian site, an even bigger block of insurance offices is being completed. At night, tables at Little Venice and the more expensive Cafe Lido are filled with insurance executives and their clients.

"We'd be lost without the insurance people," said Tullio Lombardi, an assistant manager at Cafe Lido.

And a lot of insurance people would be lost without Bermuda. Much as Liberia and Panama have provided flags of convenience for the world's maritime fleets, Bermuda has blossomed as a convenient extension of the U.S. insurance industry.

A self-governing British colony, it has generally managed to steer clear of money laundering, drug smuggling and most of the fly-by-night financial scams that have tarnished other so-called tax havens. And it has attracted a cadre of insurance technicians from the United States and Europe that, as government business recruiters like to point out, adds to the ease of setting up shop here.

Bermuda is the land of megadeals, where corporate policies are written that often kick in only after losses hit more than \$100 million. For the buyers and sellers in this high-flying world, Bermuda's oversight is a model of restraint. Here, the issue is financial strength. The details of day-to-day business are between the insurers and their customers.

With that philosophy, Bermuda has become a place where new twists in

coverage can be worked out in a few days, or at worst a few weeks, rather than the months if not years needed in the United States. Bermuda's laissez-faire supervision stands in sharp contrast to the thickets of regulation that have grown up in all 50 states with the goal, rarely fully realized, of protecting the smallest policyholder rather than oiling the wheels of commerce.

The change is striking. For decades, Bermuda has been like a big country club for the East Coast golf and tennis set. It also has been a favorite of boomtowners, with its pink-sand beaches and old-world atmosphere.

But Bermuda's popularity is waning. Visitors in recent years have complained that the island is horribly expensive — a couple of sandwiches and drinks can easily run \$40. While peace and quiet were once big selling points for Bermuda, visitors today often complain that there is not much to do.

The economic balance tipped in favor of insurance and other international business three years ago, and since then the gap has been widening. In the last fiscal year, insurance and other international businesses pumped \$757.6 mil-

lion into Bermuda, compared with \$472.3 million from tourism.

Partly because of the stagnation of tourism, Bermudians last autumn voted out the United Bermuda Party, which governed for 35 years. The new prime minister, Jennifer Smith of the Progressive Labor Party, is in a delicate political position. She must encourage the growth of insurance, but she must not be seen to be favoring it over tourism because even now tourism provides more jobs. By her count 2,400 people work in insurance and nearly 6,000 have jobs in hotels, restaurants and other tourist businesses.

Nevertheless, Bermuda's overall success as an insurance center has recently inspired regulators in the United States to begin easing up. Half a dozen states have agreed to let corporate buyers and sellers negotiate the terms and prices of high-level coverage just as all coverage is handled here. Similar legislation is being considered in New York and a dozen other states.

The regulatory and tax advantages of Bermuda — and the mere hour-and-a-half flying time from New York — made

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Sony Profit Tumbles In a Weak Economy

Annual Results Slip 20% as Quarter Has Loss

By Sheryl WuDunn
New York Times Service

TOKYO — In a sign of how Japan's faltering economy is hitting even its best corporations, Sony Corp. on Wednesday announced a drop in annual earnings of nearly 20 percent, as well as a loss in the final quarter, which ended March 31.

The disappointing results, including the first quarterly net loss in four years, came nearly two months after Sony dazzled investors with a flashy restructuring plan that will try to build a business of "networking" and to navigate the company into uncharted waters — a global nexus of media, technology and information.



"Crash Bandicoot Warped," a game for Sony's PlayStation. Sony said Wednesday it shipped 21.6 million of the consoles in 1998-99.

Sony, the famed inventor of the tiny transistor radio, the Walkman and the Trinitron television, said that consolidated net profit for the year was \$1.49 billion, down 19.4 percent from the previous year.

The earnings, on slightly higher sales, beat the company's conservative forecasts, released in January.

Operating income for the Sony group fell 34.9 percent from a year ago to \$2.8 billion, but the figure, while dismal, was close to what analysts had expected. Earnings per share were \$3.26, down 19.1 percent from the previous year.

Higher costs and weaker sales in its electronics business took the biggest bite out of operating profit, while Sony's game business, including its PlayStation 1, accounted for 40 percent of operating income and significantly improved profitability.

Sony's music business faltered, but its motion picture business improved slightly over the prior year.

Sony has hinted that business in the current quarter will also suffer and that the poor performance will probably extend through the summer. By then, analysts say, earnings will start kicking in from new products, such as its Vaio laptop computer and digital camcorders that use a new kind of silicon chip.

Analysts say the worst has probably passed, and investors seem already to be forgiving Sony, the darling of high technology in Japan, for its weak results. Instead, they are betting on its future.

"Sony is trying to be a 'com' company, supplying networking, hardware and content," said Hitoshi Kuriyama, a consumer technology analyst at Merrill Lynch Japan. "People are buying Sony because of its future dreams."

Nobuyuki Idei, Sony's president, said last month that the company hoped to see its market capitalization double in three years.

Sony is forecasting sales of 6.5 trillion yen (\$54.2 billion) for the current financial year, which ends on March 31, 2000, and net profit of 110 billion yen, which is 44 percent lower than last year's performance.

Analysts say that because of the rough road yet ahead this year and because of the challenge of transforming the company over the next few years, the best way to increase share prices will be not so much by increasing profits as by increasing perceptions of its long-term potential.

So some suggest that Mr. Idei is trying to position Sony as a media technology concept stock valued for its growth potential. Sony's share price has climbed about 35 percent since March 1 on in-

Sega to Cut Work Force And Post Loss

TOKYO — Sega Enterprises Ltd., the home video game maker, said Wednesday it would eliminate a quarter of its 4,000-member work force, reduce executives' pay and close 100 arcades, after estimating that it had failed to make a profit for a second straight year.

Sega said it would post a group net loss of 45 billion yen (\$376.73 million) for the financial year ended March 31. In November, the company forecast a profit for the year of 1.6 billion yen. Sega also said Wednesday that it expected to report sales of 266.4 billion yen, 14 percent below its November forecast.

Slumping sales of video games and the cost of disposing of inventory produced the second loss for Sega since it went public a decade ago. Analysts said its new, 128-bit, Internet-capable Dreamcast console had failed to become a hit and its arcade business was struggling amid the recession in Japan.

"We are all aware that it will take a serious change of behavior to strengthen this company and break from the past," said Sega's president, Shoichiro Irimajiri, "and I am optimistic about this process." The company, which is a distant third to Sony Corp. and Nintendo Co. in global sales of home video games, said the job cuts at the parent company and the closings of the arcades would be completed by the end of March 2000.

Like its rivals, Sega has suffered the dual woes of slow domestic sales and a strengthening yen, which eroded the value of repatriated profits.

Also, said Hiroshi Murakami, an analyst at Kokusai Securities Co., "the Dreamcast is looking more and more like it's lost the home video game war."

Sega said it had shipped 1 million Dreamcast machines domestically through the end of March, and said 900,000 had been sold by retailers.

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EU to Ban U.S. Beef That Has Growth Hormones

BRUSSELS — The European Union said Wednesday that it would ban imports of U.S. beef beginning June 15 unless the United States made sure the meat contained no artificial growth hormones.

The EU's executive commission decided to press ahead with the ban after a majority of veterinary officials from EU member states backed the proposal at a meeting in Brussels.

The dispute threatens to further inflame trans-Atlantic trade relations, already tense because of a dispute over banana trade.

The European Commission said in a statement it had decided to suspend imports of beef and bovine liver from the United States "to protect consumer health in the EU following the discovery of residues of certain synthetic growth-promoting hormones in beef and bovine livers imported from the U.S."

The EU farm commissioner, Franz Fischer, said in the statement that the commission was ready to work closely

with U.S. authorities to resolve the problem. But he said the EU would reverse the ban only if it was satisfied that imports of U.S. beef were hormone-free.

In the meantime, the commission ordered EU member states to check all U.S. beef and bovine liver imports.

A commission official said the 20-member EU executive supported the proposed ban at its meeting Wednesday, although the decision would not be formalized until later Wednesday or on Thursday.

The official was optimistic that the problem over hormones could be resolved, avoiding the need for the ban.

The EU already bans hormone-treated beef imports on health grounds, provoking a long-running dispute in the World Trade Organization with the United States and Canada.

The United States has threatened to impose punitive duties on hundreds of millions of dollars of EU exports unless the EU lifts its ban on hormone-treated beef by May 13, as Washington says it

must do to comply with a WTO ruling.

The EU imports up to 8,000 tons a year of high-quality hormone-free beef from the United States, worth around \$20 million.

But the commission recently said that scientific tests showed that 12 percent of supposedly hormone-free U.S. beef contained residues of hormones.

U.S. cattle producers dismissed the commission's decision to ban the few remaining imports of U.S. beef as a side issue in a larger trade dispute.

"It's a red herring," said Chandler Keys, vice president of the National Cattlemen's Beef Association. In Geneva, the United States said its row with the EU over hormone-treated beef could only be resolved when the 15-nation group opened its market to it.

The U.S. envoy, Rita Hayes, told the WTO's Dispute Settlement Body that the United States would be willing to consider compensation for trade lost due in the EU ban.

But, she added that compensation was

acceptable only "as a temporary measure" while the EU "brings its regime into conformity with the WTO rulings by lifting its ban."

EU officials argue that the ban is justified on health grounds because of the possible dangers from eating beef from cattle treated with growth hormones. They have ordered scientific assessments of the possible risks.

Loans to Russia for U.S. Beef

The U.S. Agriculture Department needs to craft another amendment to its pact to provide low-interest, long-term loans to Russia to buy U.S. beef. Reuters reported from Washington, quoting an Agriculture Department official.

The department's general sales manager, Chris Goldthwait, said the department needed to amend the agreement to specify that the beef can travel in containers rather than bulk grade. Under the agreement, the United States will provide loans for Russia to buy 120,000 tons of frozen beef and beef offal.

Strong U.S. Sales Bolster DaimlerChrysler

By Michelle Krebs
New York Times Service

DETROIT — Fueled by strong vehicle sales in the United States and healthy heavy-truck sales, DaimlerChrysler AG on Wednesday said that first-quarter profits increased 23 percent, exceeding some analysts' forecasts.

Net profit was 1.6 billion euros (\$1.7 billion). Revenue rose 10 percent, to 35 billion euros. Profit and revenue was up in every category in which DaimlerChrysler competes.

The company is riding the wave of strong U.S. vehicle sales, which ran 10 percent above the first quarter of 1998, at a seasonally adjusted annual rate of nearly 17 million vehicles.

Chrysler products, such as the new Jeep Grand Cherokee and the Dodge

Durango sport utility vehicle, have been well received as Chrysler has increased its share of the car and truck market. Profits from the sale of Chrysler vehicles rose 12 percent, to 1.5 billion euros in the quarter.

More than half of DaimlerChrysler's 2.8 billion euros in operating profits came from Chrysler, the company said.

"Chrysler is selling what people want and selling what people are willing to pay a premium for," said James Collins, auto analyst with the London office of Donaldson, Lufkin & Jenrette.

Income from the sale of Mercedes-Benz and Smart vehicles, the second-largest contributor to DaimlerChrysler's operating profits, rose 4 percent. Mercedes is being dragged down by slow sales of the Smart car, a

new mini-car sold in Europe. Sluggish sales have led the automaker to cut production by a third.

Strong sales of Freightliner heavy trucks helped profits in the commercial-truck segment increase by 12 percent, to 1.63 billion euros.

Profits from the company's aerospace unit more than doubled, and income from financial services operations also rose.

DaimlerChrysler's strong first quarter suggests the company is on track to surpass its initial full-year revenue target of 137 billion euros. Jürgen Schrempf, the co-chairman of DaimlerChrysler, the automaker expects U.S. vehicle sales to remain strong, which should offset a possible slowdown in sales in Europe and continued economic problems in Asia and Latin America.

China Toughens Its Stance on WTO

By Seth Faison
New York Times Service

SHANGHAI — Chinese negotiators appear to have toughened their stance in negotiations over the country's entry in the World Trade Organization, making U.S. negotiators pay for President Bill Clinton's decision earlier this month to delay a final deal.

In the latest turn in China's excruciatingly long and complex path toward WTO membership, Chinese negotiators are taking the offensive and accusing American officials of asking for too much.

"Some negotiators are reaching out for a yard after taking in an inch," Wu Yi, a state counselor and senior trade official, said in Beijing on Wednesday. "They are demanding too high conditions that are impractical and unacceptable for China."

China also seems to be trying to use international leverage with European trade officials to put pressure on the United States.

On Wednesday, Chinese negotiators met for a third consecutive day in Beijing with negotiators from the European Union, in preparation for a visit to China by Sir Leon Brittan, the European Union trade commissioner, who is scheduled to arrive in Beijing on May 5 and is expected to announce an agree-

ment that China should finally be allowed into the world trade body.

Two separate groups of negotiators met about tariffs and on trading services, the New China News Agency reported. Long Yongtu, China's chief negotiator, was quoted by the news agency as saying that China was prepared to make extensive efforts to push forward the negotiations, apparently appealing for international support to counter American demands in their trade talks with China.

Just before Prime Minister Zhu Rongji's trip to the United States this month, China made an array of concessions aimed at pushing China over the bar of U.S. opposition for entry to the trade body, which China has aggressively sought for 13 years.

China agreed to import more American beef, citrus products and wheat, and to allow more openness in the telecommunications, financial services and entertainment fields. However, President Clinton rejected a proposed agreement, apparently judging the anti-China mood in Washington to be too strong to accept a trade accord.

After strong protests from U.S. business leaders that a good deal had been within reach, the Clinton administration authorized a fresh round of negotiations.

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CURRENCY RATES									
Cross Rates					Other Dollar Values				
April 28					April 28				
	\$	£	¥	CS		Per \$	Per \$	Per \$	Per \$
London (a)	1.6151	2.4427	192.45	2.3849	11.2912	496.27	13.5475		
New York (b)	1.6145	1.5111	119.175	1.4745	6.9635	307.06	8.345		
Tokyo	120.00	194.17	79.42	81.06	17.22	N.A.	14.39		
Toronto	1.477	2.3831	0.9756	1.2992	0.2111	0.4802	0.1762		
Zurich	1.514	2.4443		1.271	1.0238	21.4232	0.4925	0.1805	
One euro	1.0646	0.6583	1.4088	127.05	1.5725	7.4336	326.65	8.913	
One SDR	1.3522	0.8392	2.0419	161.67	2.0009	9.4606	414.21	11.2655	
Euro Values									
Fixed rates of the ECU member currencies, for one euro:									
Austrian schilling	13.7603								
Belgian franc	40.3399								
French franc	6.55957								
German mark	1.93603								
Irish punt	7.87564								
Italian lire	1,936.27								
Netherlands guilder	2.20371								
Portuguese escudo	200.482								
Spanish peseta	166.386								

THE AMERICAS

Investors Shun Technology in Favor of Old-Line Industries

NEW YORK — U.S. stocks finished mixed Wednesday, with blue-chips pushing to a record high as investors kept on buying big industrial stocks, but technology shares sliding on profit-taking.

The Dow Jones industrial average closed at a record 10,845.45, up 13.74 points, but the Nasdaq composite index, which is heavily weighted in technology stocks, ended 52.15 points lower at 2,550.26. The broader Standard & Poor's 500 Index ended 11.89 points lower at 1,350.91.

Advancers outnumbered decliners by a 17-to-11 ratio on the New York Stock Exchange. The companies contributing most to the

U.S. STOCKS

Dow's advance were so-called cyclical stocks that depend most on economic growth for profits. Alcoa, the world's biggest aluminum producer, rose 7 to 62 1/2, and was the Dow's biggest advance. The other leaders were Chevron, DuPont, Minnesota Mining & Manufacturing, Exxon, Union Carbide, Allied

Signal, Caterpillar, Goodyear Tire & Rubber and International Paper.

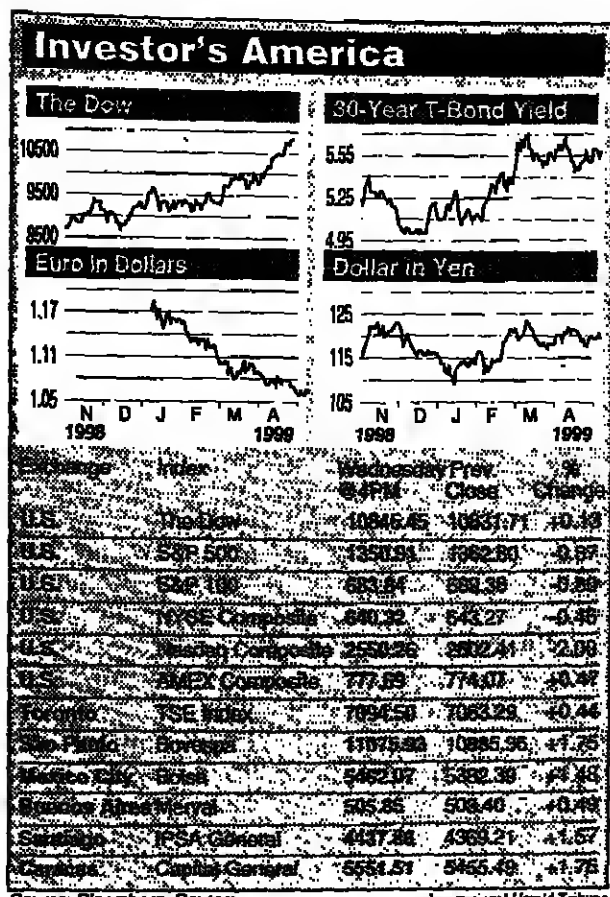
Companies whose shares soared ahead in the middle of this month, such as International Business Machines, fell back as investors turned their attention to the more economically sensitive shares. IBM fell 7 1/2 to 204 1/2.

On the Nasdaq, Microsoft lost 1 1/2 to 82 1/2 and Cisco Systems slid 3 1/2 to 112. Internet shares sank. AOL fell 8 to 145 after reporting profit that matched analysts' unofficial forecasts. MindSpring Enterprises lost

13 1/2 to 102 11/16 as so-called day traders dumped the shares to take profits after the Internet service provider reported stronger profit than analysts had expected. MindSpring has soared 72 percent this year.

Amazon.com dropped 13 to 192 1/2. The online retailer is expected to report a first-quarter loss of 29 cents a share, according to many analysts. Amazon.com posted a loss a year ago.

The benchmark 30-year Treasury bond fell 18 1/2 to 95 7/32, pushing the yield up to 5.58 percent from 5.54 percent. (Bloomberg, AP)



Very briefly:

- Orders to U.S. factories for big-ticket durable goods rose 2 percent to a seasonally adjusted \$197.7 billion in March, recovering from an end-of-winter slump.
- Aetna Inc.'s first-quarter net income, including capital gains, rose 7 percent, to \$179.4 million, as the U.S. health insurer raised premiums on employer health plans.
- Park Place Entertainment Corp.'s first-quarter profit rose 4.6 percent, to \$45 million, as the U.S. casino company won more from gamblers in Las Vegas and Mississippi.
- Alliance Capital Management LP's first-quarter earnings rose 42 percent, to \$98.1 million, as the U.S. money manager's revenue increased and assets under management grew.
- America Online Inc.'s profit for the first quarter, excluding special items, was lifted by vigorous growth to \$117 million, up 200 percent from a year earlier.

AP, Bloomberg, NYT

Druggist Cuts Earnings On Faulty Sales Report

Bloomberg News
SAN FRANCISCO — McKesson HBC Inc., the largest U.S. drug wholesaler, on Wednesday reduced previously reported annual earnings per share by 4.4 percent, saying it improperly recorded sales from the software business it acquired in January.

McKesson, which also cut its current-year earnings estimates, said software sales of \$24.2 million in its fourth quarter, which ended March 31, and \$16 million in the prior three quarters had not been properly recorded.

Icahn Won't Fight Tobacco Spin-Off by RJR

The Associated Press

NEW YORK — The financier Carl Icahn will not pursue a proxy fight over RJR Nabisco Holdings Corp.'s decision to spin off its U.S. tobacco operations as a separate company owned by RJR shareholders.

Mr. Icahn said in a statement late Tuesday that he had made his decision to withdraw his slate of board nominees after discussions with several other large shareholders.

They said they did not want to delay the decision in light of a recent U.S. Supreme Court decision to hear arguments on whether the federal Food and Drug Administration should be allowed to regulate tobacco.

RJR shareholders are scheduled to vote on the spin-off at the company's annual meeting May 12. RJR Nabisco, which was the target of one of the biggest and most

Dollar Falls On Outlook For Japan

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the yen Wednesday after a trio of Japanese economic reports suggested the world's second-largest economy may be emerging from a year-long recession.

The figures added to "speculation that Japan is close to turning its economy around" and should keep the dollar trading between 122 yen

BERMUDA: Insurance Takes Up Where Tourism Left Off

Continued from Page 11

It is a natural for solving the industry's problems. When heavy losses caused even Lloyd's of London to back away from offering high-risk, high-risk coverage against product liability lawsuits and the ravages of hurricanes and earthquakes, Americans with deep pockets and a sense of opportunity turned to Bermuda to set up companies that would consider almost any proposition.

Bermuda's main customers are America's corporate giants, whose transactions here mean less money for insurers in the United States. Yet the big U.S. insurers are not complaining. They helped create Bermuda's insurance business. Some have profited by setting up their own subsidiaries here; many others have become buyers of catastrophe reinsurance, which at first was available almost nowhere else and now helps them diversify.

Still others have been delighted to have Bermuda sharing the market for catastrophic coverages so they are not faced with either taking on more risk than they can comfortably handle or disappointing corporate clients.

The other insurers need Bermuda, as much as Bermuda needs them," said Sharda Chawla, an insurance specialist at Ernst & Young, the international accounting firm.

and 117 yen in coming days, said Grant Wilson, a yen trader at Mellon Bank in Pittsburgh.

In 4 P.M. trading, the dollar was at 119.175 yen, down from 120.335, on Tuesday. Much of the dollar selling was carried out by Japanese exporters and institutional investors, traders said. Many exporters want to sell dollars before Golden Week, a string of holidays in Japan that runs Thursday through May 5, to take advantage of the U.S. currency's rise Tuesday and bring home overseas profits, they said.

Japanese industrial production rose 2.2 percent in March from February, while housing starts rose 8.1 percent in March from the previous month, the fourth consecutive rise.

The dollar rose to 1.5110 Swiss francs from 1.5077 francs, while the pound slipped to \$1.6145 from \$1.6185. (Bloomberg, AP)

U. S. STOCK MARKET DIARY

Wednesday, April 28									
Most Active					NYSE				
Index	High	Low	Open	Close	Index	High	Low	Open	Close
Dow Jones	10845.45	10831.71	10831.71	10845.45	NYSE	2550.26	2563.41	2563.41	2550.26
S&P 500	1350.91	1362.30	1362.30	1350.91	AMEX	100.00	100.00	100.00	100.00
Nasdaq	2550.26	2563.41	2563.41	2550.26	AMEX	100.00	100.00	100.00	100.00

Standard & Poors									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
20 Bonds	104.37	104.37	104.37	104.37	20 Bonds	104.37	104.37	104.37	104.37
100 Stocks	104.37	104.37	104.37	104.37	100 Stocks	104.37	104.37	104.37	104.37

Trading Activity									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
NYSE	2550.26	2563.41	2563.41	2550.26	Nasdaq	2550.26	2563.41	2563.41	2550.26
AMEX	100.00	100.00	100.00	100.00	AMEX	100.00	100.00	100.00	100.00

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

Dividends									
Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay	Company
HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID	0.54	5-14	HERSHEID
UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED	0.54	5-14	UNITED

INTERNATIONAL FUTURES

Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
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High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
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High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
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Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

SONY: Earnings Tumble 20%

Continued from Page 11

vestors' belief in the company's future.

Sony announced its results after the stock market closed.

The company said that its performance for the year was shaken mainly in the last half because of weaker economies in Asia and other emerging markets. Another crucial factor was the rapid appreciation of the yen, which hit last autumn, when sales are usually strongest for the year.

The sudden appreciation of the yen in early October caught Sony and other Japanese exporters off guard so they could not adjust quickly enough to offset the impact of the currency change.

For the entire year, however, the yen was slightly weaker than the previous year, and this helped Sony's overall performance.

"Sony has at least shown itself willing to take radical action to position itself for the future," said Alan Bell, an electronics analyst in London, for Schroders Securities Ltd., closed.

Investors believe that these are depressed earnings and that too much concentration on short-term earnings is to make the bigger point.

Still, some analysts warn against focusing too much on the Sony dream, for a great deal still needs to happen before computers, televisions, cellular phones, video games and pictures can all communicate with one another.

"Sony is the only company with the ingredients to do that, but implementation is the next stage," said Koichiro Chiwa, a consumer electronics analyst at Nikko Salomon Smith Barney in Tokyo. "It remains to be seen how they can integrate the businesses of electronics, game and networks to create value."

For the entire year, however, the yen was slightly weaker than the previous year, and this helped Sony's overall performance.

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Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

Wednesday, April 28									
Index	High	Low	Open	Close	Index	High	Low	Open	Close
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open
High Low Last Open	High	Low	Last	Open	High Low Last Open	High	Low	Last	Open

Wednesday, April 28		
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EUROPE

Olivetti Debt Europe Seeks Missile Giant to Match Raytheon

Said to Cool A Takeover

MILAN — Telecom Italia SpA's formal rejection of a \$65 billion hostile bid from Olivetti SpA was based on what was considered too much debt in Olivetti's plan, sources close to the deal said Wednesday.

At a three-hour board meeting on Tuesday to hammer out a response, Telecom Italia executives said the bid was inadequate and handed its formal rejection, detailed in almost 50 pages, to the stock market regulator, Consob.

The regulator has 48 hours to study the document before making it public before Friday, the formal start of Olivetti's \$65 billion bid.

At the Rome meeting, Telecom's board — which had already rejected the bid in February — reiterated that Olivetti's takeover would cripple Telecom with debt.

Olivetti, whose 11.5 euro (\$12.28) per share offer is part cash and part bonds and shares, plans to fund part of the bid for its five-times-larger rival with a record \$2.5 billion (\$2.9 billion) euro loan.

Italian papers said Telecom Italia would not for now take legal action against Olivetti's bid but that it was prepared to enforce a statute on voting rights if Olivetti failed to secure over 51 percent of the stock.

Under Telecom's statutes, no single shareholder can hold voting rights of more than 3 percent — a rule that could be abolished if Olivetti secured a controlling stake.

Telecom Italia is seeking to merge with Deutsche Telekom AG in an effort to fight off Olivetti's hostile bid. Olivetti's official bid period is set to run until May 21.

By Alan Cowell
New York Times Service

LONDON — British Aerospace PLC, the British defense giant, acknowledged Wednesday that it was exploring a deal with French and Italian companies to create a European missile industry to challenge Raytheon Co. of the United States, the global leader in missile manufacturing.

The news emerged one day after British Aerospace signed a formal agreement Tuesday to acquire the British General Electric Co.'s Mar-

coni Electronics defense and missile business. The \$12.7 billion takeover was first announced last January and will now be examined by regulators.

It brings together British Aerospace's military hardware, such as the Tornado warplanes in action over Kosovo, with Marconi's military and civilian electronics and missile guidance systems. Britain's General Electric is not linked to the U.S. company of the same name.

The January deal catapulted British Aerospace into the world's No. 3 slot in the defense industry after the U.S. leaders, Boeing Co. and Lock-

head Martin Corp. Less headlined at the time, the deal also gave British Aerospace access to Marconi's 50 percent stake in a missile project with Alenia SpA, owned by Italy's Finmeccanica SpA.

British Aerospace already had a joint venture with the Lagardere SA's Matra subsidiary in France. Mike Peters, a spokesman for British Aerospace, said the three-cornered talks on a joint missile venture were "not surprising" in the light of British Aerospace's long-term design to create a pan-European defense industry.

"Discussions have been held and there'll be further discussions," he said.

He declined to say, however, when the discussions might bear fruit and said their outcome depended in part on British and European regulators' approval of the British Aerospace-Marconi deal.

"What we are looking for is a restructuring to make Europe into a major player," Mr. Peters said. "We wish to grow the industry in Europe so that it can match the U.S. giants and so that, in future projects, Europe is treated as an equal partner."

VW Stock Slides as Profit Report Disappoints

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — The share price of Volkswagen AG plummeted Wednesday after the carmaker said that its profit in the first quarter rose 2.9 percent, far below analysts' expectations and that improvement in earnings for the full year was uncertain.

The maker of the Audi, Seat, Skoda and VW brands said late Tuesday that net income in the first three months rose to 355 million Deutsche marks (\$193.3 million) from 345 million DM a year earlier. Analysts had expected a 42 percent increase.

The shares closed at 67.50 euros (\$71.99), down 4.10 euros, in Frankfurt.

"Whether the full-year 1999 earnings can improve upon the previous year will depend decisively on demand developments in the second half of the year," Volkswagen said.

In February, VW had warned that the earnings outlook looked gloomy for the year largely because of sluggishness in Asia and Latin America.

Even still, the results caught analysts and investors by surprise.

The earnings "are below what everyone expected," said Keith Hayes, an analyst with Goldman Sachs & Co.

"People have convinced themselves that the profit warning was not an indication of underlying conditions, but perhaps it is."

The first-quarter results, dragged down by a 20 percent sales decline

in Brazil, were the second consecutive quarterly disappointment for the company.

Pre-tax profit rose 15.2 percent, to 1,045 billion DM, mostly because of the strength of its Volkswagen and Audi car brands and its Financial Services Division, the carmaker said. Sales rose to 35.76 billion DM from 33.03 billion DM.

Exports were the main impetus behind sales gains, Volkswagen said,

reflecting "the continuing healthy overall sales situation," especially in Europe and North America.

Volkswagen had reported earlier that unit sales in the first quarter rose 9.7 percent, to 1,178,456 vehicles.

In a March report, Mr. Hayes said that 1999 would be a challenging year for VW because difficulties in the Brazilian economy would probably lead to short-term losses there.

(Bloomberg, AP)

Laura Ashley to Sell U.S. Business for \$1

Bloomberg News

LONDON — Laura Ashley Holdings PLC said Wednesday it would sell its North American division for a symbolic \$1 and issue new shares to appease bankers.

The retailer, known for its floral clothing and home furnishings, said banks told it to sell or close its North American business and issue stock

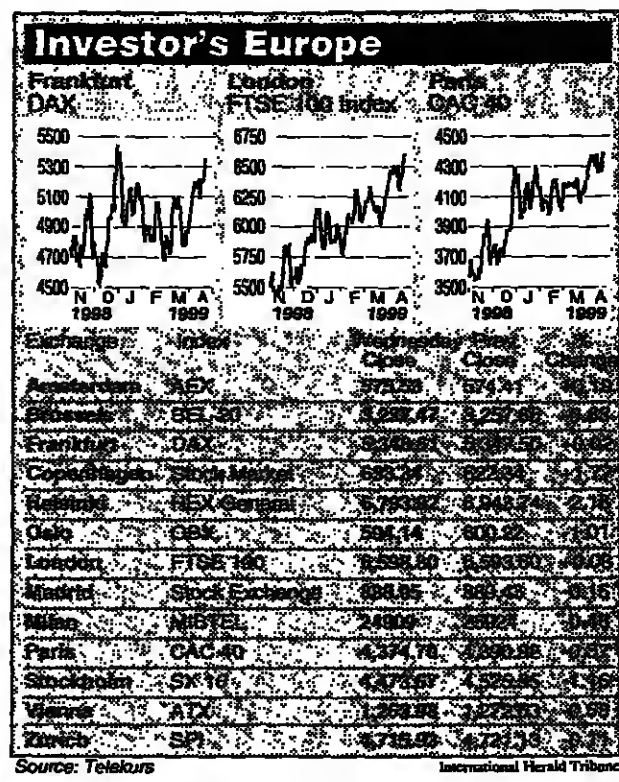
when they agreed to extend its credit facility to April 30, 2000. Without that agreement, Laura Ashley probably would have become insolvent, the company said.

Laura Ashley lost money for much of the decade after its once sought-after designs fell out of favor.

It is selling the North American division to a new company, Laura

Ashley (North America) Inc. The shareholders include Regent Carolina Corp., which is 49 percent owned by a Laura Ashley shareholder, Malaysian United Industries Bhd.

The write-off for the disposal will be \$34.4 million. Laura Ashley also plans to raise about \$24.6 million (\$39.8 million) in a one-for-two rights offer at a price of 13 pence.



Very briefly:

- National Power PLC's chief executive, Keith Henry, has resigned with immediate effect, triggering speculation of a bid or breakup of the British power company.
- Gas Natural SDG SA of Spain plans to invest 660 billion pesetas (\$4.2 billion) through 2003 on extending its natural gas pipelines and signing up more customers abroad.
- Credit Agricole SA, Paribas SA and AXA SA of France, Banca Intesa SpA of Italy, and Commerzbank AG and Allianz AG of Germany have submitted bids for stakes in the French bank Credit Lyonnais SA.
- Fibernet Group PLC's loss for the six months to Feb. 28 widened to £2.64 million (\$4.27 million) from £1.98 million a year ago, hurt by higher interest charges on leased phone lines.
- Baan NV, a Dutch business software maker, posted a first-quarter net loss of \$19 million as income was hurt by higher costs and weaker profit margins.

WORLD STOCK MARKETS

Wednesday, April 28
Prices in local currencies
in euros for EU countries.
Telecom

High Low Close Prev.

Amsterdam AEX index: 329.34
Previous: 327.45

ABN-AMRO 22.45 21.95 22.25 22.45

ASR 34.10 33.50 33.50 33.50

ASR 34.10 33.50 33.50 33.50

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The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

ABC

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Stock	Div	Yld	PE	1996 Range	Lowest	Close
3M		5.2	15	27.5-32.5	27.5	31.5
AAC		4.8	12	18.0-22.0	18.0	21.0
AAL		4.5	10	15.0-18.0	15.0	17.0
AAP		4.2	11	14.0-17.0	14.0	16.0
AAR		4.0	10	13.0-16.0	13.0	15.0
AAT		3.8	9	12.0-15.0	12.0	14.0
AAX		3.5	8	11.0-14.0	11.0	13.0
ABC		3.2	7	10.0-13.0	10.0	12.0
ABD		3.0	6	9.0-12.0	9.0	11.0
ABE		2.8	5	8.0-11.0	8.0	10.0
ABF		2.5	4	7.0-10.0	7.0	9.0
ABG		2.2	3	6.0-9.0	6.0	8.0
ABH		2.0	2	5.0-8.0	5.0	7.0
ABI		1.8	1	4.0-7.0	4.0	6.0
ABJ		1.5	0	3.0-6.0	3.0	5.0
ABK		1.2	-1	2.0-5.0	2.0	4.0
ABL		1.0	-2	1.0-4.0	1.0	3.0
ABM		0.8	-3	0.0-3.0	0.0	2.0
ABN		0.5	-4	-1.0-2.0	-1.0	1.0
ABO		0.2	-5	-2.0-1.0	-2.0	0.0
ABP		0.0	-6	-3.0-0.0	-3.0	-1.0
ABQ		0.0	-7	-4.0-1.0	-4.0	-2.0
ABR		0.0	-8	-5.0-0.0	-5.0	-3.0
ABS		0.0	-9	-6.0-1.0	-6.0	-4.0
ABT		0.0	-10	-7.0-0.0	-7.0	-5.0
ABU		0.0	-11	-8.0-1.0	-8.0	-6.0
ABV		0.0	-12	-9.0-0.0	-9.0	-7.0
ABW		0.0	-13	-10.0-1.0	-10.0	-8.0
ABX		0.0	-14	-11.0-0.0	-11.0	-9.0
ABY		0.0	-15	-12.0-1.0	-12.0	-10.0
ABZ		0.0	-16	-13.0-0.0	-13.0	-11.0
ABA		0.0	-17	-14.0-1.0	-14.0	-12.0
ABB		0.0	-18	-15.0-0.0	-15.0	-13.0
ABC		0.0	-19	-16.0-1.0	-16.0	-14.0
ABD		0.0	-20	-17.0-0.0	-17.0	-15.0
ABE		0.0	-21	-18.0-1.0	-18.0	-16.0
ABF		0.0	-22	-19.0-0.0	-19.0	-17.0
ABG		0.0	-23	-20.0-1.0	-20.0	-18.0
ABH		0.0	-24	-21.0-0.0	-21.0	-19.0
ABI		0.0	-25	-22.0-1.0	-22.0	-20.0
ABJ		0.0	-26	-23.0-0.0	-23.0	-21.0
ABK		0.0	-27	-24.0-1.0	-24.0	-22.0
ABL		0.0	-28	-25.0-0.0	-25.0	-23.0
ABM		0.0	-29	-26.0-1.0	-26.0	-24.0
ABN		0.0	-30	-27.0-0.0	-27.0	-25.0
ABO		0.0	-31	-28.0-1.0	-28.0	-26.0
ABP		0.0	-32	-29.0-0.0	-29.0	-27.0
ABQ		0.0	-33	-30.0-1.0	-30.0	-28.0
ABR		0.0	-34	-31.0-0.0	-31.0	-29.0
ABS		0.0	-35	-32.0-1.0	-32.0	-30.0
ABT		0.0	-36	-33.0-0.0	-33.0	-31.0
ABU		0.0	-37	-34.0-1.0	-34.0	-32.0
ABV		0.0	-38	-35.0-0.0	-35.0	-33.0
ABW		0.0	-39	-36.0-1.0	-36.0	-34.0
ABX		0.0	-40	-37.0-0.0	-37.0	-35.0
ABY		0.0	-41	-38.0-1.0	-38.0	-36.0
ABZ		0.0	-42	-39.0-0.0	-39.0	-37.0
ABA		0.0	-43	-40.0-1.0	-40.0	-38.0
ABB		0.0	-44	-41.0-0.0	-41.0	-39.0
ABC		0.0	-45	-42.0-1.0	-42.0	-40.0
ABD		0.0	-46	-43.0-0.0	-43.0	-41.0
ABE		0.0	-47	-44.0-1.0	-44.0	-42.0
ABF		0.0	-48	-45.0-0.0	-45.0	-43.0
ABG		0.0	-49	-46.0-1.0	-46.0	-44.0
ABH		0.0	-50	-47.0-0.0	-47.0	-45.0
ABI		0.0	-51	-48.0-1.0	-48.0	-46.0
ABJ		0.0	-52	-49.0-0.0	-49.0	-47.0
ABK		0.0	-53	-50.0-1.0	-50.0	-48.0
ABL		0.0	-54	-51.0-0.0	-51.0	-49.0
ABM		0.0	-55	-52.0-1.0	-52.0	-50.0
ABN		0.0	-56	-53.0-0.0	-53.0	-51.0
ABO		0.0	-57	-54.0-1.0	-54.0	-52.0
ABP		0.0	-58	-55.0-0.0	-55.0	-53.0
ABQ		0.0	-59	-56.0-1.0	-56.0	-54.0
ABR		0.0	-60	-57.0-0.0	-57.0	-55.0
ABS		0.0	-61	-58.0-1.0	-58.0	-56.0
ABT		0.0	-62	-59.0-0.0	-59.0	-57.0
ABU		0.0	-63	-60.0-1.0	-60.0	-58.0
ABV		0.0	-64	-61.0-0.0	-61.0	-59.0
ABW		0.0	-65	-62.0-1.0	-62.0	-60.0
ABX		0.0	-66	-63.0-0.0	-63.0	-61.0
ABY		0.0	-67	-64.0-1.0	-64.0	-62.0
ABZ		0.0	-68	-65.0-0.0	-65.0	-63.0
ABA		0.0	-69	-66.0-1.0	-66.0	-64.0
ABB		0.0	-70	-67.0-0.0	-67.0	-65.0
ABC		0.0	-71	-68.0-1.0	-68.0	-66.0
ABD		0.0	-72	-69.0-0.0	-69.0	-67.0
ABE		0.0	-73	-70.0-1.0	-70.0	-68.0
ABF		0.0	-74	-71.0-0.0	-71.0	-69.0
ABG		0.0	-75	-72.0-1.0	-72.0	-70.0
ABH		0.0	-76	-73.0-0.0	-73.0	-71.0
ABI		0.0	-77	-74.0-1.0	-74.0	-72.0
ABJ		0.0	-78	-75.0-0.0	-75.0	-73.0
ABK		0.0	-79	-76.0-1.0	-76.0	-74.0
ABL		0.0	-80	-77.0-0.0	-77.0	-75.0
ABM		0.0	-81	-78.0-1.0	-78.0	-76.0
ABN		0.0	-82	-79.0-0.0	-79.0	-77.0
ABO		0.0	-83	-80.0-1.0	-80.0	-78.0
ABP		0.0	-84	-81.0-0.0	-81.0	-79.0
ABQ		0.0	-85	-82.0-1.0	-82.0	-80.0
ABR		0.0	-86	-83.0-0.0	-83.0	-81.0
ABS		0.0	-87	-84.0-1.0	-84.0	-82.0
ABT		0.0	-88	-85.0-0.0	-85.0	-83.0
ABU		0.0	-89	-86.0-1.0	-86.0	-84.0
ABV		0.0	-90	-87.0-0.0	-87.0	-85.0
ABW		0.0	-91	-88.0-1.0	-88.0	-86.0
ABX		0.0	-92	-89.0-0.0	-89.0	-87.0
ABY		0.0	-93	-90.0-1.0	-90.0	-88.0
ABZ		0.0	-94	-91.0-0.0	-91.0	-89.0
ABA		0.0	-95	-92.0-1.0	-92.0	-90.0
ABB		0.0	-96	-93.0-0.0	-93.0	-91.0
ABC		0.0	-97	-94.0-1.0	-94.0	-92.0
ABD		0.0	-98	-95.0-0.0	-95.0	-93.0
ABE		0.0	-99	-96.0-1.0	-96.0	-94.0
ABF		0.0	-100	-97.0-0.0	-97.0	-95.0

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هكذا احسن المرحلي

Wednesday's 4 P.M.
1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

High	Low	Stress	Day	Night	PE	Age	Sex	Latent	Other
1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

Dr	Yr	PE	100%	Low	Labels	Chgs
1	2019	1	100%	Low	Labels	Chgs
2	2019	2	100%	Low	Labels	Chgs
3	2019	3	100%	Low	Labels	Chgs
4	2019	4	100%	Low	Labels	Chgs
5	2019	5	100%	Low	Labels	Chgs
6	2019	6	100%	Low	Labels	Chgs
7	2019	7	100%	Low	Labels	Chgs
8	2019	8	100%	Low	Labels	Chgs
9	2019	9	100%	Low	Labels	Chgs
10	2019	10	100%	Low	Labels	Chgs
11	2019	11	100%	Low	Labels	Chgs
12	2019	12	100%	Low	Labels	Chgs
13	2019	13	100%	Low	Labels	Chgs
14	2019	14	100%	Low	Labels	Chgs
15	2019	15	100%	Low	Labels	Chgs
16	2019	16	100%	Low	Labels	Chgs
17	2019	17	100%	Low	Labels	Chgs
18	2019	18	100%	Low	Labels	Chgs
19	2019	19	100%	Low	Labels	Chgs
20	2019	20	100%	Low	Labels	Chgs
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22	2019	22	100%	Low	Labels	Chgs
23	2019	23	100%	Low	Labels	Chgs
24	2019	24	100%	Low	Labels	Chgs
25	2019	25	100%	Low	Labels	Chgs
26	2019	26	100%	Low	Labels	Chgs
27	2019	27	100%	Low	Labels	Chgs
28	2019	28	100%	Low	Labels	Chgs
29	2019	29	100%	Low	Labels	Chgs
30	2019	30	100%	Low	Labels	Chgs
31	2019	31	100%	Low	Labels	Chgs
32	2019	32	100%	Low	Labels	Chgs
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37	2019	37	100%	Low	Labels	Chgs
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39	2019	39	100%	Low	Labels	Chgs
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41	2019	41	100%	Low	Labels	Chgs
42	2019	42	100%	Low	Labels	Chgs
43	2019	43	100%	Low	Labels	Chgs
44	2019	44	100%	Low	Labels	Chgs
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46	2019	46	100%	Low	Labels	Chgs
47	2019	47	100%	Low	Labels	Chgs
48	2019	48	100%	Low	Labels	Chgs
49	2019	49	100%	Low	Labels	Chgs
50	2019	50	100%	Low	Labels	Chgs
51	2019	51	100%	Low	Labels	Chgs
52	2019	52	100%	Low	Labels	Chgs
53	2019	53	100%	Low	Labels	Chgs
54	2019	54	100%	Low	Labels	Chgs
55	2019	55	100%	Low	Labels	Chgs
56	2019	56	100%	Low	Labels	Chgs
57	2019	57	100%	Low	Labels	Chgs
58	2019	58	100%	Low	Labels	Chgs
59	2019	59	100%	Low	Labels	Chgs
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67	2019	67	100%	Low	Labels	Chgs
68	2019	68	100%	Low	Labels	Chgs
69	2019	69	100%	Low	Labels	Chgs
70	2019	70	100%	Low	Labels	Chgs
71	2019	71	100%	Low	Labels	Chgs
72	2019	72	100%	Low	Labels	Chgs

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Wednesday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

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Wednesday's 4 P.M. Close
(Continued)

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ASIA/PACIFIC

Indonesian Tycoon Hit Hard by Change

Salim Struggles to Revive His Empire

By Mark Landier
New York Times Service

JAKARTA — Few Asian tycoons have suffered so abrupt a reversal of fortune as Anthony Salim, the chief executive of Indonesia's largest conglomerate, Salim Group.

This week, Mr. Salim had both a success and a setback in his effort to salvage the tottering empire.

Salim Group announced a deal Tuesday to sell its Singapore property holdings to a leading Philippine entrepreneur for \$183 million.

At the same time, Mr. Salim's plan to sell 60 percent of its giant food company hit a snag, when one of the two buyers, Nissin Food Products Co. of Japan, withdrew from the deal.

The other buyer, First Pacific Co. of Hong Kong, said it still intended to acquire a 30 percent stake in the company, PT Indofood Sukses Makmur. First Pacific said it might eventually increase the stake.

But for now, Nissin's departure cuts the value of the deal in half, to \$285 million. That is another dose of bitter medicine for the Salim

Group, which was devastated by Indonesia's economic collapse and is desperately shedding assets to pay off \$5 billion in debt to the Indonesian government.

"We have several categories of problems to solve," said Mr. Salim, 49, in an interview. "For Singapore, I think this deal is milestone No. 1. And I believe we will be in good shape on the Indonesian side."

Mr. Salim's progress is closely watched here as an indication of how Indonesia's corporate sector will overcome its crushing debt burden.

After months of negotiations, two major Indonesian companies, PT Bakrie and PT Mnta Industri, reached agreements this week with their banks to reorganize debts of \$1.02 billion and \$550 million, respectively.

Few companies are under sharper scrutiny than Salim Group. Founded by Mr. Salim's father, Liem Sioe Liong, it grew through close ties with President Suharto into a \$20 billion colossus and a symbol of crony capitalism.

When Mr. Suharto surrendered power last May amid fierce riots and street protests, the upheaval



Mr. Salim has been trying to sell assets to pay down debt.

seemed to take down his wealthiest cronies as well. Angry mobs burned down Mr. Liem's house in Jakarta, and panicked depositors stormed a Salim-owned bank, Bank Central Asia, to withdraw their money.

The bank run, on top of an 80 percent devaluation of the Indonesian rupiah, left Mr. Salim staggering under \$5 billion in bad loans. In September, the government took over BCA and bailed out its depositors in return for stakes in hundreds of the Salim companies.

To repay the government and perhaps repurchase BCA, Mr. Salim has been trying to sell stakes in his major holdings.

Standard to Acquire Holding in Thai Bank

Compiled by Our Staff From Dispatches

BANGKOK — Standard Chartered PLC said Wednesday it would acquire a controlling interest in Nakornthorn Bank PLC of Thailand, its second purchase this week in the troubled Asian lending sector.

Standard Chartered initially will acquire 68 percent of the small retail lender by injecting 6.2 billion baht (\$164.5 million) in new capital. Thai authorities will also inject 13.27 billion baht in bonds to cover negative equity.

The British bank will increase its ownership gradually through 2005, eventually owning about 82 percent of Nakornthorn, Thailand's second oldest bank. The remaining 18 percent will be held by the Wanglee family, the current controllers, and the Bank of Thailand's Financial Institutions Development Fund.

The transaction is subject to Finance Ministry approval, regulatory clearance and the approval of Nakornthorn shareholders.

"Despite the current economic situation in Thailand and elsewhere in the region, Standard Chartered is confident about the long-term prospects for the country," said Rana Talwar, the group chief executive of Standard Chartered.

Last week Standard Chartered signed a conditional agreement to buy PT Bank Bali of Indonesia, the first significant foreign investment in the nation's banking sector since the government began to restructure and recapitalize the lending system.

Analysts said both transactions carried the imprint of Mr. Talwar's strategy of further expanding the bank's emerging-market presence.

"It's quite sensible. They are filling in holes in their regional network," said Stephen Frost, regional banking analyst at HSBC Securities.

Analysts said Standard Chartered's move would provide a boost to other Thai banks in need of fresh capital to cover doubtful debts.

"It means deals are more doable," said Andrew Maule, a banking analyst at ABN AMRO Asia.

Mr. Maule added that in Bank

Bali, Standard Chartered was buying a lender that has a good franchise but needs capital.

The Nakornthorn acquisition means Standard Chartered, which has a longstanding but limited presence in Thailand, is finally getting space to expand, Mr. Frost said.

(Bridge News, AFP)

3 Bidders Seeking To Buy Korea Life

Compiled by Our Staff From Dispatches

SEOUL — Axa SA of France, Metropolitan Life Insurance Co. of the United States and LG Group are among the bidders for Korea Life Insurance Co., the government said Wednesday as part of a program to sell a quarter of its life insurance industry to foreigners.

The three bidders have until May 8 to submit proposals for South Korea's third-largest life insurer, said Lee Jong Koo, director-general of South Korea's Financial Supervisory Commission, which is overseeing the country's financial reforms.

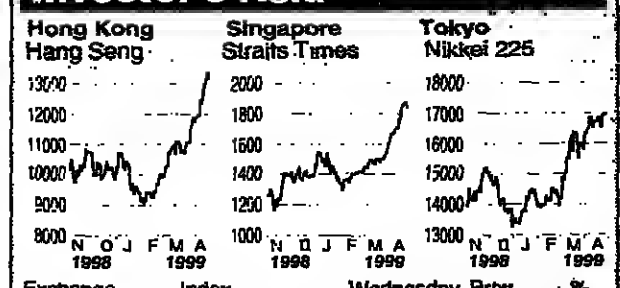
The government hopes to select a buyer by the end of June.

The multibillion-dollar sale of Korea Life and six other firms, which together hold about 25 percent of South Korea's life insurance market, will help raise funds to rebuild the country's financial system, which all but collapsed in late 1997.

"This is a one-off chance to get into the Korean market," said Tim Ferdinand, deputy managing director at CLSA Equity Capital Markets Ltd., which is advising the government on the sale of each of the insurance companies up for sale with the exception of Korea Life.

South Korea's insurance market is growing more than twice as fast as the U.S. market. Total insurance premiums collected in Korea are growing at about 15.6 percent a year, compared with about 6 percent in the U.S. life insurance market, analysts said. (Bloomberg, Reuters)

Investor's Asia



Exchange	Index	Wednesday Close	Previous Close	% Change
Hong Kong	Hang Seng	13,133.38	13,364.79	-1.73
Singapore	Straits Times	1,837.16	1,876.39	-2.09
Sydney	All Ordinaries	3,122.70	3,145.20	-0.72
Tokyo	Nikkei 225	16,942.24	16,957.27	-0.09
Kuala Lumpur	Composite	661.63	670.02	-1.25
Bangkok	SET	423.22	425.33	-0.50
Seoul	Composite Index	790.03	793.98	-0.50
Taipei	Stock Market Index	7,496.61	7,560.13	-0.71
Manila	PSE	2,459.99	2,420.85	+1.62
Jakarta	Composite Index	481.34	489.20	-1.62
Wellington	NZSE-40	2,278.31	2,271.07	+0.32
Bombay	Sensitive Index	3,272.71	3,245.27	+0.85

Source: Reuters. Intra-day data from Reuters.

Very briefly:

- South Korea denied it was trying to back out of deals to sell Korea First Bank to Newbridge Capital Ltd. and Kookmin Bank to Goldman Sachs & Co., saying both deals would be good for the development of Korea's ailing banking industry. The Finance Ministry denied the ministry had been critical of the terms of the deals, but the chairman of the Financial Supervisory Commission, which is negotiating with Newbridge, conceded negotiations had not gone smoothly.
- Nissan Motor Co. plans to cut the number of board members to 10 from 37 at the end of June, following its landmark tie-up with Renault SA.
- Hong Kong Telecommunications Ltd. plans to invest an initial 40 million to 50 million Hong Kong dollars (\$5.2 million to \$6.4 million) to implement a high-speed wireless data transmission system supplied by Nokia Oy.
- Siam Cement PCL posted a loss of 1.17 billion baht (\$31 million) in the first quarter, reversing a profit of 24.4 billion baht a year ago, as it made provisions for an early retirement program and as a weakening baht magnified foreign debt.
- Singapore Telecommunications Ltd. is spending 100 million Singapore dollars (\$59 million) to fix the so-called Year 2000 problem.
- Korea Telecom Co., South Korea's largest telephone company, plans to invest 350 billion won (\$297 million) to speed its Internet service, Komet, tenfold. (Reuters, AFP, Bloomberg)

Factory Output in Japan Falls Sharply

Compiled by Our Staff From Dispatches

TOKYO — Industrial output tumbled 7.1 percent in Japan in the year to March, its worst performance in 24 years, crippled by poor demand in the face of a tough recession, officials said Wednesday.

It was the first fall for five years in industrial output, which measures production at factories and mines. Output rose 1.2 percent the previous year, the Ministry of International Trade and Industry said.

But investors were heartened by output in March, which rose 2.2 percent from the previous month.

"We are very encouraged," said Richard Ferrar, the chief economist at ING Barings in Tokyo. "This is clearly much better than people were looking for."

The yen rose after the data were released, but the dollar ended in Tokyo at 120.00 yen, up from 119.45.

Economists pointed at a fall in

inventories, which slipped 0.8 percent in March, and a rise in industrial shipments, which were up 2.9 percent in the month.

The figures also showed that output was not dependent on government stimulus packages.

Prime Minister Keizo Obuchi said Wednesday he was not considering a supplementary budget to lift the economy. But he kept his options open. "We will continue to watch developments," (AFP, Reuters)

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April 28, 1999

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By Walt

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WORLD ROUNDUP

Ivanisevic Loses Match and Money

TENNIS Goran Ivanisevic, the No. 2 seed, lost to Markus Hantschk of the Czech Open in Prague.

Ivanisevic led 7-6 (7-4) when the match was suspended Tuesday because of darkness. When it resumed Wednesday, Hantschk, a German ranked No. 122, won the next two sets, 6-2, 6-4, with Ivanisevic apparently intentionally missing shots and drawing jeers from the fans, according to the CTK news agency. The Croatian also faces a fine for refusing to attend a news conference after the match, CTK said.

Peter Kovacic, a tournament organizer, said Ivanisevic would lose the \$100,000 he was to receive as appearance money.

"He did not play anything, so he will not get anything," CTK quoted Kovacic as saying.

In second-round matches on Wednesday, Brazil's Fernando Meligeni upset third-seeded Cedric Pioline of France, 6-0, 5-7, 6-1, while fifth-seeded Dominik Hrbaty of Slovakia beat Russian Andrei Cherkasov 4-6, 6-0, 6-3.

Venus Williams earned a convincing 6-3, 6-1 victory over Magui Serna of Spain at the Hamburg Open on Wednesday. The victory was her first on clay this year.

"I enjoyed playing on red clay again," Williams said. "You have to be able to play well on all surfaces."



Venus Williams hitting a backhand return to Magui Serna in Hamburg on Wednesday.

Derby Horse Wins Purses

HORSE RACING A judge ruled in Little Rock, Arkansas, Tuesday that Oaklawn Park race track must pay Jim Jackson, the owner of Valhol, the \$300,000 first-place prize in the Arkansas Derby, clearing the way for the gelding to run Saturday in the Kentucky Derby.

Valhol won the Arkansas Derby on April 10, but Oaklawn withheld the purse after allegations that Billy Patin, Valhol's jockey, carried an illegal electrical device in the race.

Without the \$300,000 purse, Valhol may not have qualified for the Derby where total winnings are used when panning the field down to the maximum of 20 horses. (LAT)

Engquist Has Cancer

ATHLETICS Ludmila Engquist, the World and Olympic 100-meter hurdles champion, said Wednesday that she has had surgery for breast cancer and will have chemotherapy. "I cannot have survival as my only goal. That would be too boring," she said. "My goal is to come back in best running form." (AP)

Twilight of the Millennium Brings Exit of Sports Gods

Jordan, Gretzky, Seizinger and Elway All Say Good-Bye

By Christopher Clarey

International Herald Tribune

SEVILLE, Spain — Could it be a different sort of millennium bug? First Michael Jordan. Then Wayne Gretzky and Katja Seizinger. Now John Elway and soon, if he really does mean it this time, Boris Becker.

Retirement is all the rage in 1999, and though retirement is as much a part of professional sports as it is professional life, there never has been a four-

VANTAGE POINT

month stretch quite like this one; never such a condensed period when so many seminal figures stopped playing their games.

Jordan did not score 100 points in a night as Wilt Chamberlain once did, but he is widely and rightly considered the finest and most complete basketball player in history. Wayne Gretzky lacked the white hot, goal-seeking ferocity of Gordie Howe but "the Great One" would get more votes than Howe or anyone else as the most accomplished hockey player of all time.

Seizinger was not in Gretzky's class and definitely not in Jordan's. Like Deborah Compagnoni, another recently retired European, she was simply an exceptional skier, not a transcendent force whose accomplishments and celebrity resonated far beyond the corridors of her sport. No sporting goods giant chose to use her image to move products across time zones. Teenagers worldwide never wore jerseys with "Katja" on the backs or mimicked her technically perfect tucks as they did Jordan's gravity-flouting dunks.

But the discreet and determined German who ended her career last week at 26 was at times just as dominant. She is the only person to have won consecutive Olympic downhill, and she was the premier speed skier of the 1990s on the World Cup circuit, a far more accurate testing ground of an alpine competitor's worth than the Olympic lottery.

In the 1997-98 season, she won six consecutive World Cup races, something only Jean-Claude Killy had done before. But after winning her second overall World Cup title, she suffered the first major injury of her career in the off-season, tearing knee ligaments. After missing last season while rehabilitating, she announced last week, shortly after training with her German teammates, that she would not continue. "My decision has nothing to do with my injury," said Seizinger, who plans to complete her undergraduate studies in economics and join her father's successful steel business. "I have no problems with my knees anymore. It's just that I've got other goals for myself now."

Elway, who will make his retirement official at a news conference Sunday, says his goals have

changed, too, and at age 38, it is easy to believe him. He played a complex, staccato sport that lacked the global reach of its more free-flowing competitors. But the hype and pageantry of the Super Bowl translate better to international audiences than the intricacies of the NFL. For the past two years, Elway has led his Denver Broncos to victory in North America's biggest though hardly best sports event.

Elway came out of Stanford University as one of the most promising collegiate quarterbacks in history, and anyone who watched a football leave his right hand in a remarkable hurry and spiral deep, deep downfield could comprehend why. Nonetheless, he had to wait 14 seasons to win his first National Football League championship. It was that wait that helped make him more accessible. Now, he has no more gaps to fill and a knee that is sore enough often enough to make one more season superfluous. He planned to announce his decision on April 21 but chose to wait because of what happened on April 20 in the Denver suburb of Littleton, where 12 high school students and a teacher were murdered by two other students. "We wanted to make sure we did not in any way interrupt the grieving process," said Pat Bowlen, the Broncos president.

Elway's announcement would indeed have been a distraction, which speaks volumes, but not well, of his society's problems and attitudes. He is not just an American star; dimple-chinned, maxed-out, maxed-out proof that patience is a virtue. He is a Denver institution and, like Jordan in Chicago, a throwback in this ever-more mercenary sports era in that he played his entire professional career for one team. Ronaldo, the young Brazilian soccer star, already has played for four different professional clubs and is making rumblings about looking for a fifth.

Gretzky played first in his native Canada in Edmonton and then in Los Angeles, St. Louis and, ultimately, New York. Unlike Jordan and Elway, he did not go out on top. Jordan's last shot was a championship-winning jumper. Elway's last Super Bowl ended with him being named Most Valuable Player. But Gretzky's last game on April 18 was more nostalgic than relevant. His Rangers failed to make the NHL playoffs and his once consummate skills had declined. Those are more customary reasons for retirement, but the lack of an exclamation point does not diminish the quality of the oeuvre.

"His legacy is a million memories," Glen Sather, Gretzky's former coach in Edmonton, told the New York Times.

Great painters leave behind pictures; great architects buildings or bridges.

Great athletes are different. No matter how many banners or trophies they accumulate, one has to watch them work to appreciate their work. And for those who saw, really saw, Gretzky skate, Seizinger ski, Elway scramble and Jordan soar, it will long be just a bit more pleasurable to let the mind wander.

Race Issue Splits Namibia Rugby Dispute Threatens to Keep National Team From World Cup

Reuters

WINDHOEK, Namibia — Namibia's participation in the Rugby World Cup this year could be in danger because of an escalating racial dispute, a leading Namibian official said Wednesday.

The Namibian government's Sports Commission on Monday barred the national team from completing its remaining three matches in a South African domestic competition it had been using for World Cup preparation.

The ban was imposed after the commission lost patience with the Namibian Rugby Union, which had been criticized by nonwhite rugby clubs for what they claim are its racist attitudes.

"The World Cup is actually in jeopardy unless something very serious happens," said Karl Persend, the Sports Commission chairman. "We have had a lot of verbal promises and written agreements from the NRU, but there is just no implementation."

Last week, the commission ordered the union to field six black players in its representative side, the Kudu, in South Africa's Vodacom Cup. It also ordered the union to suspend its national club

league and join representatives of the nonwhite clubs on an independently run task force to resolve the problems within the game. But Persend said the union had flouted the agreement by deciding to award league points for "friendly" club matches at a later date and by imposing the quota system on a squad of 26 rather than a team of 15.

Andries Wahl, chairman of the National Rugby Union, said: "We have asked the Sports Commission to reconsider, and we hope to have the issue resolved by Thursday."

Until independence in 1990, the former South West Africa was a protectorate under the control of the apartheid government of South Africa.

Nonwhite clubs say that white referees are biased against them in matches and that they have been denied fair representation on the field and in the Rugby Union's administration.

"The quota is but one issue," Persend said. "We are totally in turmoil as far as many other issues are concerned. There has been no affirmative action, no development of black players and there has been discrimination by white referees. Somewhere along the lines someone has to say that this is not right."



Christian Vieri of Italy, right, and Damir Mihinovic of Croatia chasing after a ball during their friendly soccer match in Zagreb on Wednesday. The game ended in a scoreless tie.

Nantes Gets to French Cup Final

Compiled by Our Staff From Dispatches

NANTES, France — A 75th-minute solo goal from midfielder Nicolas Savinault gave Nantes a 1-0 victory over second-division Nimes on Wednesday and a place in the French Cup final.

Nantes, the only first-division side to reach the quarterfinals, will play second-division Sedan in the final at the Stade de France in St. Denis on May 15.

Nantes was in control for the entire game, denying Nimes any realistic opportunity to score.

Sedan reached the French Cup final for the first time in 34 years when it beat Le Mans, 4-3, on

Tuesday after a bizarre extra time in which four goals were scored in the last 15 minutes.

EUROPEAN CUP Norway went to the top of Group 2 in the European Championship 2000 qualifying round Wednesday with a superb 4-1 victory over Georgia in Tbilisi.

All of Norway's goals came from players based in the English Premier League.

Tottenham striker Steffen Iversen gave the visitors a 15th minute lead and another London-based player, Tore Andre Flo of Chelsea, made it 2-0 11 minutes later. The Manchester United for-

ward Ole Gunnar Solskjaer got in on the act after 34 minutes before Flo made it 4-0 three minutes after that.

Georgia got a consolation goal after 57 minutes through Zaza Dzhanelashvili.

The victory put Norway ahead of Latvia, which played to a scoreless tie with Albania in Riga.

SPAIN Christian Panucci, Real Madrid's Italian defender, will join Inter Milan for next season, John Toshack, the Real Madrid coach, said Wednesday. Panucci, a 26-year-old Italian, joined Real in 1997 from AC Milan.

(Reuters, AFP, AP)

Sabres First to the Second Round

The Associated Press

The Buffalo Sabres became the first team to gain the second round of the playoffs when they completed a surprising sweep of the Ottawa Senators.

The Sabres won, 4-3, Tuesday night and were joined in the playoffs later in the evening by Detroit, which swept Anaheim, and Dallas, which swept Edmonton.

"Nobody expected us to win 4-0," said Dominik Hasek, the Sabres goaltender. "Nobody in this locker room expected it."

The Senators finished second in the Eastern Conference, 12 points ahead of the seventh-place Sabres. The Sabres hadn't beaten the Senators all season, going 0-1-4.

Hasek made 40 saves and Vaclav Varada scored two goals to lead the Sabres.

Hasek had his shutout streak snapped at 144 minutes, 55 seconds on a goal by Jason York at 6:24 of the second period.

The three goals against Hasek matched the total scored against him in the first three games. Hasek allowed six goals on 162 shots in the series.

En route to their sweep, the Sabres held high-scoring Alexei Yashin without a point. Nine Sabres scored goals in the series and 14 finished with points.

Red Wings 3, Mighty Ducks 0 The Red Wings took their first step toward a third consecutive Stanley Cup title with their sweep.

Thomas Holmstrom snapped a scoreless tie with his goal at 16:44 of the second period, and Chris Osgood stopped 31 shots as the Red Wings won in Anaheim to sweep the Mighty Ducks for the second time in the playoffs.

Brendan Shanahan and Vyacheslav Kozlov added goals in the third period. Osgood, meanwhile, recorded his sixth playoff shutout.

Stars 3, Oilers 2 Joe Nieuwendyk scored with 2:26 left in the third overtime to lead the top-ranked Stars

to victory over the No. 8 Oilers in Edmonton. Sergei Zubov shot from the point and the puck kicked off Nieuwendyk's right leg and past goaltender Tommy Salo, sending the Stars into the second round.

The goal was the second of the night for Nieuwendyk in a tense playoff game that was the

NHL PLAYOFFS

12th longest in NHL history. It was the longest game for either franchise.

The Stars, who finished 36 points ahead of the Oilers during the regular season, outshot Edmonton 56-39, including 11-2 in the third overtime period.

Coyotes 2, Blues 1 Dallas Drake's power-play goal snapped a second-period tie, giving Phoenix a 3-1 lead over St. Louis in their Western Conference series.

Greg Adams also scored, and Nikolai Khabibulin made 27 saves for the visiting Coyotes, who have won three straight since losing the opener at home.

The Blues' Pascal Rheaume got his first goal of the playoffs and Grant Fuhr rebounded nicely from his Game 3 disaster, when he allowed four goals on 10 shots. But the Coyotes closed down high-scoring defenseman Al MacInnis, who entered the game with an NHL-leading eight points in the playoffs.

Devils 4, Penguins 2 Randy McKay scored just before the end of the first period and Sergei Brylin struck just after the intermission as New Jersey won in Pittsburgh to even the series at two games apiece.

The Devils were knocked out early from the Eastern Conference playoffs as the No. 1 seed the last two seasons.

Jaromir Jagr, the NHL's three-time scoring champion, may return for Pittsburgh in the next game. Jagr missed his third straight game of the series with a strained groin.

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SPORTS

Yanks Rescue Clemens's Streak

The Associated Press
The New York Yankees saved Roger Clemens' 17-game winning streak with two runs in the ninth inning on the road against Texas.

Clemens was hit hard in the first inning and left after the second because of a bad hamstring. But he finished with no decision Tuesday night as the Yankees rallied to win, 7-6.

Clemens beat the Rangers at Yankee Stadium in his previous start and had a chance to set an American League record in his home state. But the first five Texas batters reached base, and a two-run double by Todd Zeile made it 5-0.

Clemens pitched a perfect second inning, then Hideki Irabu returned to begin the third. Clemens shares the AL mark of 17 straight victories with Johnny Allen of Cleveland and Dave McNally of Baltimore. Carl Hubbell holds the major league record of 24 straight victories, set in 1936-37 for the New York Giants.

John Wetteland, the Rangers' relief pitcher who was the most valuable player in the Yankees' 1996 World Series victory, took over in the ninth with Texas ahead 6-5. Paul O'Neill hit a tying single, and Chili Davis had a sacrifice fly.

Orioles 8, Royals 4 Baltimore held a team meeting before the game, then improved the majors' worst record to 5-14 behind B.J. Surhoff's career-high five hits against visiting Kansas City. Surhoff went 5-for-5 as the Orioles won

for only the second time in 10 games.

Blue Jays 10, Angels 1 Pat Hentgen held Anaheim to three hits in seven scoreless innings as Toronto stopped its four-game losing streak.

The visiting Blue Jays stole four bases in a four-run first inning.

Tigers 5, Mariners 1 Brad Ausmus, Damian Masley and Karim Garcia

BASEBALL ROUNDUP

homed as Detroit sent Seattle to its fifth straight home loss.

Indians 6, Athletics 6 Manny Ramirez hit a tie-breaking, two-run single in the eighth inning as Minnesota beat Boston in Minneapolis.

Twins 6, Red Sox 5 Todd Walker hit a tie-breaking, two-run single in the eighth inning as Minnesota beat Boston in Minneapolis.

In National League games, The Associated Press reported: Astros 17, Diamondbacks 0 Shane Reynolds pitched no-hit ball for 6 1/2 innings and drove in three runs as Houston routed visiting Arizona.

The right-hander held Arizona hitless until his former teammate Luis Gonzalez lined a single to right in the seventh. Reynolds acknowledged that a no-hitter had crossed his mind. "I was thinking to throw one would be nice," he said.

Reynolds (4-1) pitched eight innings, allowing five hits and striking out five. He also contributed at the plate, squeez-

ing home a run in a six-run fourth and hitting a two-run double in the seventh.

Craig Biggio homered, doubled and drove in three runs for the Astros, who lost the shortstop Ricky Gutierrez with a fractured left hand.

Mariners 5, Cubs 0 Cliff Floyd had two singles in his 1999 debut, and Alex Fernandez came off the disabled list and pitched four scoreless innings in his first start since April 11 as Florida beat Chicago in Miami.

Floyd, returning from a spring-training knee injury, singled in his first at bat and then singled in the sixth before departing for a pinch runner.

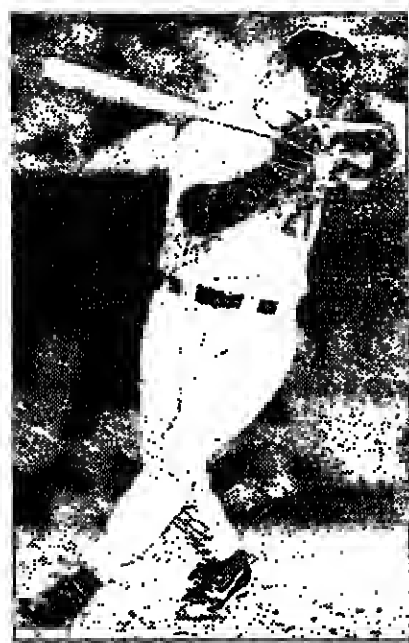
Phillies 6, Braves 3 Jason Schmidt pitched seven solid innings against his former team as visiting Pittsburgh snapped a four-game losing streak.

Schmidt, who has a 6.30 earned run average against the Braves since they dealt him to Pittsburgh three years ago, allowed six hits and three runs.

Phillies 1, Reds 0 Curt Schilling pitched nine shutout innings, and Doug Glavine won the game for Philadelphia with a run-scoring single in the bottom of the 10th.

Padres 6, Mets 2 Greg Myers entered the game after the catcher Jim Leyritz was hurt and hit a tie-breaking two-run double as San Diego won in New York.

Dodgers 3, Brewers 2 Ray Lankford hit his National League-leading eighth homer and Kevin Brown survived a shaky start as Los Angeles won in Mil-



Masato Yoshii, the Mets reliever, avoiding a close pitch from a Padre.

waukee and snatched the Brewers' four-game winning streak.

Giants 3, Expos 2 Stan Javier scored in the 10th on a wild pitch by Ugueth Urbina as San Francisco won in Montreal.

Cardinals 7, Rockies 5 Ray Lankford homered in his first start since off-season knee surgery at St. Louis, at home, won for the ninth time in 14 games.

Iverson's 31 Puts 76ers In the Winning Column

The Associated Press
Allen Iverson scored 31 points to lead the Philadelphia 76ers to an 80-71 victory over the Cleveland Cavaliers, which closed in on a playoff berth and guarantee the franchise's first winning season since 1990-91.

That was also the last season Philadelphia was in the playoffs. The

NBA ROUNDUP

76ers' magic number to clinch a playoff berth is two.

"I don't want to start thinking about that now," said Iverson, who saw the 76ers go a combined 53-111 in his first two seasons. "That would be crazy. I would be happy to say that I'm not thinking about it. But I'm not concentrating on that because I know we've still got to win games."

The victory was the 76ers' fifth straight and moved them to the fifth seed in the Eastern Conference.

Hornets 108, Raptors 98 In Toronto, Eddie Jones scored 28 points and Bobby Phillips had 20 as the Hornets moved within one game of eighth-place New York. They also won the season series from the Raptors.

Pistons 92, Celtics 85 Grant Hill scored 32 points and Jerome Williams had 21 points, 14 rebounds and seven steals to lead visiting Detroit, which trailed by 10 points in the fourth quarter.

Heat 85, Nets 78 Jamal Mashburn scored 16 points to lead Miami, which won in New Jersey without center Alonzo Mourning, who returned to Miami on Tuesday after being poked in the eye the night before in Cleveland.

Magic 88, Pacers 87 Darrell Armstrong's 17-footer with 1.6 seconds left gave Orlando the victory in Indianapolis and kept it within two games of first-place Miami in the Atlantic Division.

Mavericks 84, Cavaliers 75 In Dallas, Gary Trent had 20 points against Vancouver to lead the Mavericks to their sixth victory in their past eight games.

Kings 104, Spurs 100 Vladi Divac had 27 points and 15 rebounds and Jason Williams scored seven points in overtime as Sacramento won for the sixth time in seven games to move past the Minnesota and into the seventh playoff spot in the Western Conference.

SuperSonics 90, Jazz 85 Gary Payton scored 30 points to lead Seattle into a tie with Minnesota for the final Western Conference playoff spot.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	13	5	.722	—
Toronto	12	6	.667	1 1/2
Tampa Bay	11	9	.550	3
Boston	10	10	.500	4
Baltimore	5	14	.263	9 1/2

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	14	5	.737	—
Chicago	9	7	.563	3 1/2
Minnesota	9	10	.476	4 1/2
Kansas City	9	12	.429	5 1/2
Seattle	5	11	.303	7

WEST DIVISION

	W	L	Pct.	GB
Texas	11	7	.607	—
Detroit	9	12	.429	3 1/2
Los Angeles	8	12	.400	4 1/2
San Diego	6	12	.333	5 1/2
San Francisco	6	12	.333	5 1/2

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	12	7	.632	—
Philadelphia	11	8	.579	1 1/2
New York	11	8	.579	1 1/2
Pittsburgh	6	12	.333	5 1/2
Florida	6	14	.300	6 1/2

CENTRAL DIVISION

	W	L	Pct.	GB
St. Louis	11	8	.579	1 1/2
Houston	11	8	.579	1 1/2
Pittsburgh	9	9	.500	3
Atlanta	9	9	.500	3
Chicago	7	10	.412	4 1/2
Cincinnati	7	11	.389	5

WEST DIVISION

	W	L	Pct.	GB
San Francisco	11	7	.607	—
Arizona	11	7	.607	—
Los Angeles	10	10	.500	3 1/2
San Diego	9	10	.476	4 1/2
Colorado	6	10	.375	5 1/2

TUESDAY LEADERS

AMERICAN LEAGUE

	W	L	Pct.	GB
Kansas City	10	10	.500	—
Baltimore	10	10	.500	—
Seattle	10	10	.500	—
San Francisco	10	10	.500	—
San Diego	10	10	.500	—

CENTRAL DIVISION

	W	L	Pct.	GB
St. Louis	11	8	.579	1 1/2
Houston	11	8	.579	1 1/2
Pittsburgh	9	9	.500	3
Atlanta	9	9	.500	3
Chicago	7	10	.412	4 1/2

WEST DIVISION

	W	L	Pct.	GB
San Francisco	11	7	.607	—
Arizona	11	7	.607	—
Los Angeles	10	10	.500	3 1/2
San Diego	9	10	.476	4 1/2
Colorado	6	10	.375	5 1/2

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	Pct.	GB
Chunichi	16	5	.762	—
Yomiuri	9	6	.600	5 1/2
Hiroshima	9	10	.476	6 1/2
Hanshin	9	11	.450	6 1/2
Yokohama	6	12	.333	8 1/2

PACIFIC LEAGUE

	W	L	Pct.	GB
Nippon Ham	12	9	.571	—
Yokohama	12	9	.571	—
Yokohama	12	9	.571	—
Yokohama	12	9	.571	—
Yokohama	12	9	.571	—

TUESDAY RESULTS

CENTRAL LEAGUE

	W	L	Pct.	GB
Chunichi	16	5	.762	—
Yomiuri	9	6	.600	5 1/2
Hiroshima	9	10	.476	6 1/2
Hanshin	9	11	.450	6 1/2
Yokohama	6	12	.333	8 1/2

PACIFIC LEAGUE

	W	L	Pct.	GB
Nippon Ham	12	9	.571	—
Yokohama	12	9	.571	—
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TUESDAY RESULTS

CENTRAL LEAGUE

	W	L	Pct.	GB
Chunichi	16	5	.762	—
Yomiuri	9	6	.600	5 1/2
Hiroshima	9	10	.476	6 1/2
Hanshin	9	11	.450	6 1/2
Yokohama	6	12	.333	8 1/2

PACIFIC LEAGUE

	W	L	Pct.	GB
Nippon Ham	12	9	.571	—
Yokohama	12	9	.571	—
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TUESDAY RESULTS

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TUESDAY RESULTS

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Yokohama	12	9	.571	—
Yokohama	12	9	.571	—
Yokohama	12	9	.571	—
Yokohama	12	9	.571	—

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

	W	L	Pct.	GB
Atlanta	11	8	.579	—
Philadelphia	11	8	.579	—
New York	11	8	.579	—
Pittsburgh	9	9	.500	3
Atlanta	9	9	.500	3

WESTERN CONFERENCE

	W	L	Pct.	GB
San Francisco	11	7	.607	—
Arizona	11	7	.607	—
Los Angeles	10	10	.500	3 1/2
San Diego	9	10	.476	4 1/2
Colorado	6	10	.375	5 1/2

TUESDAY RESULTS

CENTRAL LEAGUE

	W	L	Pct.	GB
Chunichi	16	5	.762	—
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PACIFIC LEAGUE

	W	L	Pct.	GB
Nippon Ham	12	9	.571	—
Yokohama	12	9	.571	—
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TUESDAY RESULTS

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TUESDAY RESULTS

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Yokohama	6	12	.333	8 1/2

PACIFIC LEAGUE

	W	L	Pct.	GB
Nippon Ham	12	9	.571	—

ART BUCHWALD

The World in a Cart

NEW YORK — The thing that makes New York such a great place is that as ethnic groups arrive here, with just the clothes they are wearing, in no time they become financial successes through their own energy and ambition.

This is particularly true of those who go into the hot dog stand business.

The city corners are now loaded with food carts, and many of them have become the most popular places to have lunch.

What is amazing is how the number of carts has exploded. When I first came to New York last September my hot dog purveyor, Juan San Filippo Ustod, sold hot dogs, soft drinks and Baby Ruth bars.

The next month I noticed that besides hot dogs he was offering hot tamales, knishes (potato hand grenades), egg rolls and roasted chestnuts.

"You're expanding," I said.

He replied, "The sidewalk

on Madison Avenue and 50th Street has been good to me. Come back next week and try my Crepes Evita Peron."

When I came back Juan had a new umbrella featuring, in beautiful Old English lettering, the words: "Specialties du Jour — Duck à l'Orange, Filet de Sole Saute, Poulet à la Paper Bag and Apple Pan Dowdy." By this time Juan was wearing a chef's hat and sniffing the contents of his pots and pans.

He said, "I'm in a panic. The New York Times is going to review me tomorrow, and my truffles haven't arrived."

"Is this it, or are you going to expand your menu any further?"

"The city is complaining that my customers are taking up all the sidewalk, so I'm only adding sweetbreads and caviar in a baked potato."

"Juan," I said, "I admire you. You have made sidewalk eating a gastronomic pleasure. May I have a hot dog?"

"I'm sorry. For hot dogs you have to order 24 hours in advance."

A Very Mysterious Meeting

New York Times Service

NEW YORK — The mystery writer P.D. James and Steve Bochco, the producer and screenwriter whose credits include such television hits as "Hill Street Blues" and "N.Y.P.D. Blue," will be honored Thursday night in New York, where 800 authors, agents, publishers, editors and producers are to gather for the 54th annual Edgar Allan Poe Awards of the Mystery Writers of America.

James, whose novels include such best-sellers as "A Certain Justice" and such characters as Adam Dalgliesh of Scotland Yard, will join Daphne du Maurier, Dick Francis, Graham Greene and Ed McBain as a recipient of the Grand Master award for long-term achievement. Bochco will receive the Raven for significant contribution to the genre. Edgars will be awarded in several categories, from best novel and best first novel by an American to best television episode and movie.

Veteran Chinese Director Peels Away His Masks

By Leslie Camhi
New York Times Service

NEW YORK — Wu Tianming is well acquainted with the whims of fortune. During the 1980s, as an acclaimed director, he headed Xian Film Studio, the cradle of the New Chinese Cinema, which burst upon the international scene with the force of a revelation. Less than a decade later, he was reduced to running a video store in Los Angeles.

Today, Wu, at 60, is once again working as a director in China. On a recent visit to New York, he looked back on these twists of fate with remarkable good humor. What's the secret of his equanimity? "I'm very easy-going," he explained through a translator. "I have no heart and no lungs."

Meaning? "I don't let things get to me. There's an old Chinese poem that says, 'If you've been through the big wave of the ocean, the quiet water of the river cannot disturb you anymore.'"

"The King of Masks," Wu's first film in a decade, opens in New York on May 9. Set in Sichuan province in the 1930s, it follows an itinerant street performer, Old Wang (Zhou Xu), who earns a meager living astounding crowds with his skill at "changing faces."

Using elaborate sleight of hand, practitioners of this folk art change masks as if by magic. Master Liang (Zhao Zhigang), a celebrated female impersonator in a local opera company, admires Wang's artistry, but Wang declines the offer to join Liang's wealthy troupe.

Instead, he longs for a male heir to inherit the secrets of his skill. On the black market, Wang meets Doggie (Zhou Ren-ying), a 7-year-old put up for sale by his destitute father. An ecstatic Wang buys him, but soon discovers that his new "grandson" is really a girl, an inappropriate heir and a worthless creature on the scale of China's social values.

There his troubles begin. Doggie and Wang suffer extreme misfortune, but they are bound by love and by their common fate as outcasts.

Wu was born in China's Appalachia, the poverty-stricken, agrarian north of Shaanxi province. He began his career in the province's capital as an actor at Xian Film Studio; in 1966, when the Cultural Revolution short-circuited his plans to study film in Beijing, he spent years at home reading about filmmaking in secret.

"Many educational books were destroyed, but film manuals were spared, because film didn't seem to matter much," he said. "And then, there were so many books, the Cultural Revolution people could not burn them all."

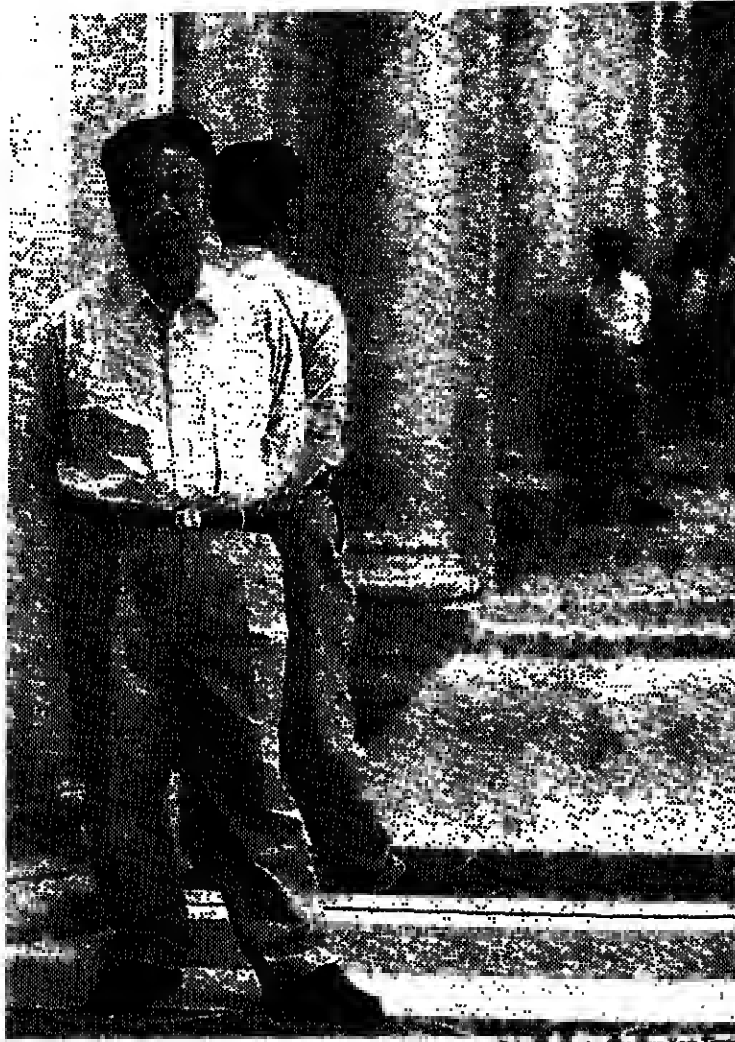
During those dark years, Wu's father, a former revolutionary and devoted government official, died shortly after being jailed on trumped-up charges of treason. Wu himself suffered public humiliation. In his 1987 film, "The Old Well," a young man dies in a tragic accident; party officials attend the funeral to report allegations of his licentious behavior.

"That's what those times were like," Wu said. "People would even accuse the dead."

When the Cultural Revolution subsided, Wu was finally able to attend the Beijing Film Academy. After graduating in 1976, he returned to Xian and received his first solo directing credit for "River Without Buoy" (1982), a spectacular popular success about three men who share their experiences of the Cultural Revolution as they pilot a raft down the Pushui River.

Two years later he made "Life," which focuses on a village schoolteacher who is torn between his intellectual urban aspirations and his love for a peasant woman.

As the head of Xian Film Studio, Wu also promoted artistic freedom; he was open to the fresh ideas and



Wu Tianming, a founder of the New Chinese Cinema movement.

daring approaches of younger directors. His film "The Old Well," about a man striving to find a new source of water for a village nestled high in stony mountains, starred a young actor named Zhang Yimou. Zhang is better known as a member of the "Fifth Generation" of Chinese directors, who got their start at Xian Film Studio and went on to capture world attention.

Films like Zhang's "Red Sorghum" (1988), a sensual rural epic culminating in the Japanese invasion; Tian Zhuangzhuang's "Horse Thief" (1986), an austere beautiful film about Tibetan nomads in the 1930s, and Chen Kaige's "King of Children" (1987), which focused on a schoolteacher sent to the countryside during the Cultural Revolution, were

all produced at Xian. Their spectacular visuals and unorthodox subject matter reflected a radical break with prevailing codes of Socialist Realism.

Wu was visiting the United States in the spring of 1989 when the events of Tiananmen Square unfolded. He remained in this country for five years. Returning to China to make "The King of Masks" in 1994, he found a culture in the throes of economic and social transformation. "I don't understand why, all of a sudden, Chinese people seem to have grown so cold," he said. "That's why I wanted to make this film, to show that love and warmth are more important than tradition or money."

China's new entrepreneurial spirit has had mixed results for the nation's vanguard cinema, which now finds itself competing with Hollywood products. Like many recent films by Chinese directors, "The King of Masks" was primarily financed by nonmainland sources, in this case the Hong Kong-based Shao Brothers film studio.

Bottom-line concerns have not prevented the rise of a "Sixth Generation" of Chinese directors, however, whose documentary style and focus on private, ephemeral experience stand in sharp contrast to that of their predecessors.

Meanwhile, the irrepressible Wu keeps working. He has just completed China's most popular television soap opera ever, and is directing another — 56 episodes about a century in the lives of three families living near the Yellow River. (He expects about 32 episodes to remain when the censors finish their work.) Like Old Wang in "The King of Masks," he changes faces but maintains a deep simplicity.

"That's the film's broader message," he said. "In life in general, you have to keep changing faces in order to survive."

PEOPLE



CULTURAL DUTY — Beijing policewomen enjoying the performance while working at a concert of leading Hong Kong and Chinese singers.

THE "Kung Fu" actor David Carradine and his wife, Marina Anderson, have sued People magazine for libel and breach of contract. The suit accuses the magazine's parent company, Time Warner Inc., of violating a "gentleman's agreement" for a "nice" story in exchange for the couple's dropping a lawsuit against another of Time Warner's subsidiaries, Who Weekly in Australia. Instead, People wrote of alleged substance abuse and called Carradine "washed up," "unemployable" and "a drunk." Time Warner's magazine chief, Norman Pearlstine, met with the couple and "profusely apologized" for the Who Weekly piece that called Anderson a porn star, according to the lawsuit, and had promised that a nice story on the Carradines would be done for People or Entertainment Weekly. People magazine says it stands by its story.

Leah Rahin and Judi Dench, two women who figure in David Hare's one-man-show, "Via Dolorosa," surprised the playwright and actor by going backstage at the Booth Theater in New York after a performance. "Via Dolorosa" touches on the assassination of Rahin's husband, Yitzhak Rahin, who was the

prime minister of Israel. "The audience did not know she was there," Hare said, "but the most extraordinary respectful silence fell over the house. I think they sensed my own feeling about what an extraordinarily moving moment it was." As for Dench, Hare usually mentions her in the opening minutes of the show. The line usually gets a laugh. On this night, it drew applause. That tipped off Hare, who had not known that she would be

there. "She's been saying to me for some time now that I must write a play in which we can act," he said.

Fats Domino and his former partner, the trumpeter Dave Bartholomew, were together again for a show at the New Orleans Jazz and Heritage Festival. Domino, 71, and Bartholomew, 78, drifted apart about 12 years ago to pursue

separate careers but recently decided to reunite. Domino played many of his standards, including "Blueberry Hill" and "Shake, Rattle & Roll." He closed the set with "When the Saints Go Marching In." As the song played out, he bumped the grand piano across the stage with his thighs, just like the old days. When someone tried to take away his microphone, Domino mouthed, "We're not done." He played a little longer, then headed to his trailer as Bartholomew urged the crowd to call him back.

Richard Gere planned to leave for Macedonia on Wednesday to meet with government and humanitarian officials and visit with refugees as part of a morale-boosting mission. Empire magazine in England reported, Gere, a Buddhist, who has accused China of carrying out genocide against Tibetans, compared that to the current situation in Kosovo. "We're dealing with obviously a very chaotic and violent world right now, and we're seeing in former Yugoslavia the explosion of these ethnic problems," Gere said. A spokeswoman for the UN High Commissioner for Refugees could not confirm the actor's trip.

Ex-Aide to Dali Is Detained in Spain

The Associated Press

CADAQUES, Spain — Spanish police have detained the former personal secretary of Salvador Dali for allegedly faking and selling paintings of the renowned surrealist painter, the state news agency EFE reported.

John Peter Moore was detained Tuesday after the police searched his home and workshops in the northeastern town of Cadaques and seized thousands of faked lithographs falsely attributed to Dali, EFE said.

"I was Dali's assistant for 20 years and I don't need to do forgery. I have all the real Dali I need," the news agency quoted Moore as saying.

The police did not confirm the report, saying the investigation was still open. Dali and Moore, a British citizen, met in Rome, where Moore arranged payment for a portrait of the British actor Sir Laurence Olivier that Dali painted in 1955. After that first encounter, Moore became Dali's personal secretary.

The mustachioed artist died in 1989 of heart failure, leaving an estate estimated at \$87.7 million.



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